



FINANCIAL TIMES

No. 27,061

Wednesday September 1 1976

**10p

150.63

1976



NEWS SUMMARY

GENERAL

BUSINESS

Milk
ankers climb
back
over 350

• **EQUITIES** were unsettled, but early losses were reduced. The FT 30-share index, after falling to 328.3, ended 12 lower at 350.8. Falls led rises in Industrials by 7.2. Against the trend, the Oils sector rose 1.7 per cent, to 334.4.

• **GILTS** were firmer in this trading.

• **STERLING** rose 70 points to 31.775, while its weighted depreciation narrowed to 39.4 (39.7) per cent. The dollar's

• **WEALTH** funds of the Central Bank of the Church rose in value during the month of May 31 from £45.4m. a report said.

• **ar waste**

• **radiological** products of the Government's public exposure to has proposed a committee examination of practice management of wastes in Britain.

• **Settlement**

• **tion-conscious** British is about £700 worth of in his wardrobe, a poli of the Lord John boutique fashions.

• **ts alert**

• **have set up an incident** at St. James's hospital, one of Europe's biggest, five unexplained fires.

• **at shortage**

• **products are reported to** an extremely short supply in a East German travellers from Poland report nuances at butchers and market meat counters, the part of the staple diet, among a rarity. Page 6

• **over delays**

• **to holidaymakers** less considerably although air traffic controllers continuing their go-slow. 8

• **ople and . . .**

• **Gertrude Clarke, widow of Clarke, the man who built record company His Master's left Elm. She died in June 88.**

• **Sampson, former Eoku**

• **He was sentenced by** a court in 20 years in jail for his part in the coup which threw President Makarios years ago. Page 6

• **Greig is to captain MCC in** and Ken Barrington is

• **Stevens** blew 100 smoke from one cigarette puff. Ian Wetzell kept 38 inches to his hopper; George Walters an accordian on top for ours 20 minutes; and Ray made a speech which 12 hours 12 minutes last year. 10 — all claiming world records for the Guinness Book of records. Page 14

• **places**

• **Kong: The Royal Observatory** was flooded with reports a mysterious flying object been seen over the colony. The 3,798th and last of the radio serial Blue has been recorded. It in February, 1949.

REF PRICE CHANGES YESTERDAY

per cent unless otherwise indicated)

RISES

Acrow "A" 54 - 3
Barclays Bank 240 - 5
Copper-Nelli 45 - 21
Cohen (A) 130 - 3
Electrocomponents 897 + 42
Glen 55 - 2
Hammer Ltd 100 - 8
Hannover 154 - 8
Hannover-Richards 160 - 8
McCorquodale 143 - 5
Urd. Newspapers 220 - 4
Vibrion 83 - 5
W.H. South 216 - 10
RTZ 155 - 5

Kissinger steps up criticism of South Africa race policy

BY JUREK MARTIN, U.S. EDITOR, WASHINGTON, August 31

Dr. Henry Kissinger, U.S. Secretary of State, to-day stepped up his criticism of South Africa's racial policies, just four days before his talks in Switzerland with Mr. Vorster, the South African Prime Minister.

Today, Dr. Kissinger said in a speech in Philadelphia, challenging the right of white South Africans to remain in their country. "But South Africa's internal structure is incompatible with any concept of human dignity."

The recent clashes in the republic were "dramatic evidence of the frustration of black South Africans towards a system that denies them status, equality and political rights. No system that leads to periodic upheavals and violence can possibly be just or acceptable—nor can it last."

At the same time, Dr. Kissinger argued strongly that South Africa had shown itself willing and able to play a constructive role in the search for negotiated settlements in Rhodesia and Namibia, and that the U.S. believed there was "common ground" for further progress.

Dr. Kissinger has been under fire from black Americans for not speaking out vigorously enough on the internal unrest in South Africa in recent weeks.

Last week, a delegation of prominent blacks, led by the Rev. Jesse Jackson, had private talks with him on the subject.

Dr. Kissinger's choice of his audience for to-day's speech may be seen as a reflection of this concern the addressed participants at an industrial training centre for young blacks run by spell it out, although he did

not mention on Back Page

Namibia at UN deadline

Page 5

Irish Parliament begins anti-terror laws debate

BY KEVIN DONE

THE SPECIALLY-recalled Irish Parliament yesterday began urgent discussion of the Government's tough new package of anti-terrorist laws.

It was told by Mr. Liam Cosgrave, the Prime Minister, that the security of the State was seriously endangered.

• **LANCASHIRE** textile leaders hope to meet the Prime Minister when he visits the North-West later this week to put their case for temporary restrictions on the import of some cotton yarns and fabrics. Page 8

• **LEYLAND** CARS, already suffering disputes at three of its Mland plants, faces a threat to its component supplies because of a strike by Lucas group electrics. Page 9

• **BURMA** OIL received £35m. from the Government, the final settlement of a deal which gives the British National Oil Corporation a majority stake in the company's share of the Thistle Field and other North Sea assets. Back Page

• **ALCAN** is raising its aluminium ingot prices by £52.40 to £57.8 a tonne, its second increase in less than two months. Back Page

• **JAPAN** was one of only 10 countries which imported less from the U.K. in 1975 than in the previous year, while its exports to Britain rose sharply. Steps are being taken to adjust the imbalance. Page 4

• **COUTLNHO CARO**, the large Hamburg-based group of international metal merchants, warned that there was unlikely to be a real recovery in the steel market until next year. Page 17

• **IMPERIAL METAL** Industries pre-tax profit in the six months to June 30 jumped to £10.2m. (1975: £7.1m.). Page 15 and Lex

• **LADBROKE GROUP** first-half pre-tax profits were a record £5.86m., an increase of 16.1 per cent, on the same period last year. Page 14 and Lex

• **HARLAND and Wolff**, the Belfast shipbuilder, had a £17.8m. loss last year but is on course to keep its total deficit on the present level back within the £50m. limit set by the Government. Page 14

Greek shipping lobby persuades Inland Revenue to drop demands

BY JOHN WYLES, SHIPPING CORRESPONDENT

THE INLAND Revenue has withdrawn its demands on the Greek shipping industry, which assessments were made on overseas tax demands on the 15 Greek shipping companies with London offices after several months of drawn-out negotiations and determined lobbying on behalf of the Greeks.

The move relieves a number of leading Greek shipowners of the burden of having to prove their dependences and representations out of London if the tax threat were not removed. Greek shipowning companies are run as to avoid the allegation of evasion tax on profits to any court.

The Inland Revenue is understood to have accepted the shipowning companies registered in Panama and Liberia were owned and controlled from London

offices of the Greek owners, an refusal to comment on the drawn tax demands on the which assessments were made. It is understood that the Greek companies' advisers were informed last Friday that the assessments would be withdrawn following a review of the law and of the facts of the case.

It remains to be seen whether the Inland Revenue has closed the matter, since its interest in Greek shipping profits started in 1974 with inquiries into the activities of some of the 150 Greek shipping concerns based in London. These inquiries were quickly dropped after strong protests from the Greeks, many of whom were still wondering last night whether Britain's tax authorities might yet try another approach.

Athens the Inland Revenue

FEATURES

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A challenge to the Pope: 12

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Councils told to save more

BY COLIN JONES

Local authorities will have to reduce their present rate of revenue spending by about 4½ per cent in real terms if they are to keep within the guidelines for public expenditure in 1977-78. This warning has been given in a Government circular.

The spending cuts will call for a careful review of manpower requirements, but local authorities are asked to avoid redundancies in view of the generally high level of unemployment.

The circular states that a spending cut of about 1 per cent would have been necessary next year in any event. But a bigger reduction will now be needed in view of this year's prospective overspending.

Including rate fund subsidies for housing, this year's over-run is now estimated to be about £300m. at November 1975 prices.

After acknowledging the efforts that local authorities have made to curb their spending, the circular states that the prospective over-run is still too large for the Government to accept and asks for further savings in both revenue and capital expenditure during the remainder of 1976-77.

A reduction of at least £100m. is suggested, which would make it less difficult for councils to bring their spending into line with the projected level for 1977-78.

The appeal is backed with a warning of reductions in the Exchequer grant that councils can expect to receive both this year and next.

The effect of the appeal is likely to be somewhat muted, however, by the request to local councils to avoid redundancies.

According to the circular, the expenditure savings required in 1976-77 "should be capable of achievement without any significant diminution in the number of jobs."

To achieve the further savings required to get back on course in 1977-78, local authorities are advised to consider postponing recruitment, voluntary early retirement, the sharing of staff between and within authorities, and a review of services provided by contractors as alternatives to redundancies.

Unions to fight cuts Page 9

2 in New York

	Aug. 31	Previous
1-3 months	£1,760,770	£1,746,775
1-6 months	£1,221,117	£1,161,111
3 months	£411,336	£483,344
12 months	£2,010,113	£2,010,113

Continued on Back Page

Ministers to study city race problems

BY RICHARD EVANS AND ELLOR GOODMAN

A GOVERNMENT reappraisal of the problems of inner-city areas is likely to be speeded up because of the Notting Hill Gate riots.

In reply to what he described as "factual criticism" of the police, Sir Robert stressed that it was the police who were responsible for urban problems, together with racial tensions in British cities.

For some time, Mr. Callaghan has been thinking of setting up a committee of junior Ministers, under the overall charge of a member of the Cabinet, to coordinate Government policy towards deprived urban areas.

The intention would be to have much closer contact between Government Departments with responsibility for urban areas, including the Environment, the Home Office and Health and Social Security, would be represented on the committee.

Mr. Brynmor John, Minister of State at the Home Office, yesterday met senior police officers who gave a report on the disturbances. He has asked for a fuller report from Sir Robert Mark, the Commissioner of Metropolitan Police.

Sir Robert yesterday rejected criticism that Monday's violence was aggravated by the presence of too many police.

It was the police's job to prevent crime and there was no question of abdicating this responsibility. There would be no "no-go" areas within the Metropolitan Police District, he stressed.

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Continued on Back Page

One more time to Brussels, this autumn. Fly the flag.

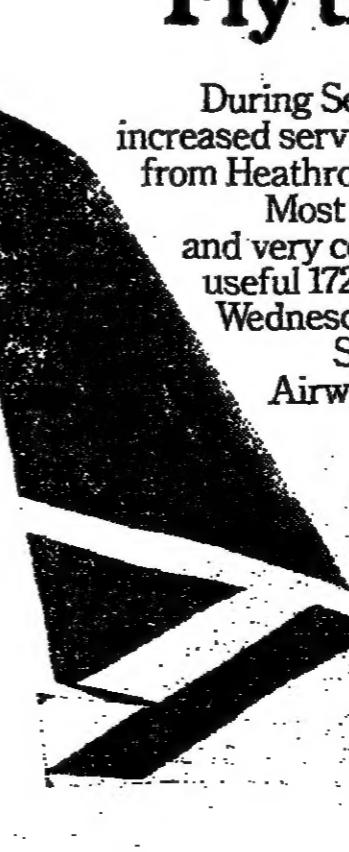
During September and October new increased services mean up to 5 flights a day from Heathrow.

Most with full first class facilities and very convenient timings, including a useful 1720 flight from Brussels on Wednesday, Thursday and Fridays.

See your Travel Agent or British Airways shop for details.

British airways

We'll take more care of you.



The cost of a red duster

BY ANTHONY HARRIS

SINCE most European observers seem to have given Britain and her economy up in despair, it has been fascinating to read a piece of detailed constructional analysis, recently circulated from INSEAD, the British management college at Fontainebleau, near Paris. The shipping course in general is taught there by Assistant Professor Antoni P. But, the author of this particular bit of analysis unfortunately prefers to remain anonymous — unfortunately, because we could do with one or two analysts of that persuasion in NEDO, the Department of Trade and other places dispensing or lobbying for industrial assistance.

On the face of it, criticism is a little unfair. Since the Roehde report on the industry in 1970, it seems to have performed admirably. Investment in ships rose by 69 per cent. The British owned and registered fleet expanded its share of world trade from 9.5 per cent in 1969 to 10.2 per cent by 1973. Foreign exchange earnings outperformed the all-share index. What more could you ask?

Explaining

Well, one thing that you could ask, and which INSEAD does ask, is who benefited most. The broad answer is that foreign ship-builders did. By 1973, for example, ship imports by British owners totalled 247 million, just under half their foreign currency earnings. The net current account balance was hardly changed. Of course, part of this cost was met by cheap ship credits offered by foreign builders, which offset a net £125m. of the bill so far as the UK reserves were concerned.

Personally, I am very doubtful how far this is a meaningful test: turn it upside down, and you can say that the UK industry managed to re-equip itself, three-quarters from foreign sources, at no cost to the balance of payments; the implied criticism is surely of the British shipbuilding industry, which could not win a bigger share of the business, rather than of the shipping industry. However, INSEAD does produce another rather surprising figure: the increase in foreign exchange earnings of shipping between 1969 and 1973 represented 20 per cent of capital investment in the same period. Manufacturing industry, on the other hand, increased its

Other uses?

Now we come to a parting of the ways: for while up to now I have accepted INSEAD's analysis with some puzzlement, its conclusions seem to me crazy. For INSEAD suggests that the whole story is simply an illustration of the British habit of investing in low-return industries, and suggests that the same capital could have been much more productively employed in other ways. This kind of analysis crops up again and again in other contexts, and seems to me to beg a central question: was this particular capital available for other uses? The answer is more or less obvious. It wasn't. The capital in this case was largely provided by the credit made available, no doubt with subsidy, by foreign ship-builders. It was only available for the purchase of ships.

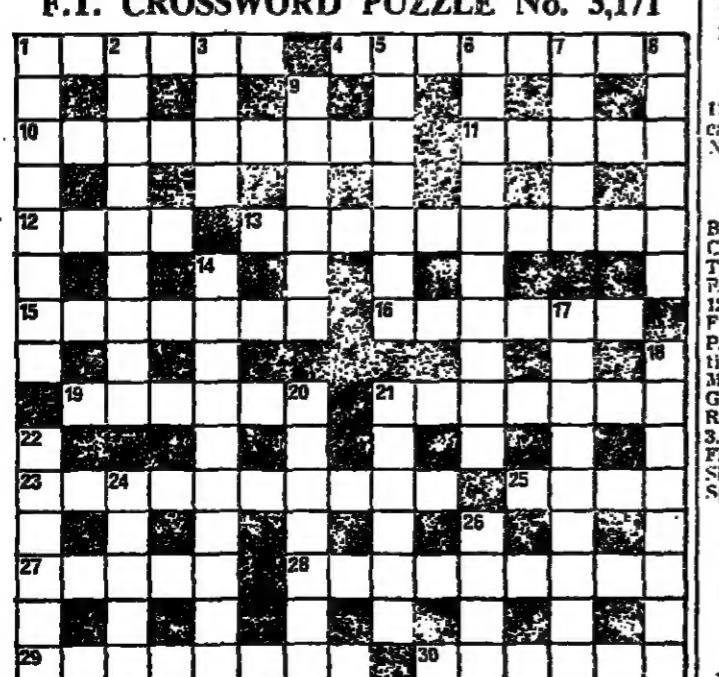
TV Radio

† indicates programme in black and white

BBC 1

7.05 a.m. Open University (UHF only). 8.40 Dastardly and Muttley in their flying machines. 8.50 Jackanory. 10.05 Devilin. 10.30 Roobarb. 10.35 The Boy from Lapland. 1.15 p.m. News. 1.30 Bod. 4.25 Regional News (except London). 4.35 Play School. 4.50 Speed Buggy. 5.15 Ash Aspel. 5.40 Magic Roundabout. 5.45 News. 6.00 Man and Boy. 6.15 Ash's Knock-out. 6.30 Ash You're Being Served? 6.30 News. 6.25 Band Beat introduced by Roy Castle.

F.T. CROSSWORD PUZZLE No. 3,171



6 Record how old we are and disheaten (10)

7 In Eastern exercise but unfit (5)

8 It could be one or the other that is coming up the river (6)

9 Note or log in soldiers' quarters (6)

10 Fetch her no mixture from now on (10)

11 Later than the majority at the rear of the ship (9)

12 Inexperienced and wide awake but a pest (8)

13 Property of French company (7)

14 Cut at the bakery or on the golf course (6)

15 Vessel used by smokers? (7)

16 Masculine gene producing a criminal (10)

17 Encourage the end of fishing in river (4)

18 Cough producer of pain... (8)

19 ...for pain that's upset (4)

20 ...it could be fair to snog round eastern race (6);

21 Likewise put notes up and down (4);

22 The price for a horse (6);

23 Behold copper mass—it's a substitute (15)

24 Knocks up box (4)

25 Solution to Puzzle No. 3,170.

26 Radio 2 1.30pm and VHF

27 Radio 1 1.30pm and VHF

28 Radio 3 4pm. Stereo and VHF

29 Radio 4 5.30pm. VHF

30 Radio 5 10pm. VHF

31 Radio 6 10pm. VHF

32 Radio 7 10pm. VHF

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WORLD TRADE NEWS

Japan 'to adjust' U.K. trade gap

BY CHARLES SMITH

THESE WERE "well-grounded" criticisms in Britain last year of the reasons for the fall-off in U.K. exports to Japan, according to a White Paper on Japan's foreign trade, published today by the Japan External Trade Organisation (JETRO).

JETRO, which is an official body originally formed to promote exports but now concerned with two-way trade relations, says Japan must try to maintain a "proper" level of exports to the U.K. to avoid a crisis in bilateral relations.

The White Paper adds that Japan was one of only 10 foreign countries which imported less from the U.K. in 1975 than in the previous year.

The reason for the fall was Japan's domestic recession, but the decline in U.K. sales to Japan (3.3 per cent from a year earlier) contrasted strongly both with the 1975 rise in Japan's exports to Britain (17.8 per cent), and the recovery of British exports during the year to most markets other than

Japan. The JETRO White Paper lists tube industry has alleged that Japan's major exports to the U.K. giving their percentage blame for the closure of the share of total British imports of Thorn Group's Skelmersdale the same product and pointing tube factory last winter.

out that the Japanese market share is rising in every case between Japan and the U.K. can improve gradually if Japan exports to the U.K. can remove bottlenecks in industries supplying the Japanese market.

The list runs as follows: Passenger cars (21.8 per cent of total U.K. car imports) radios (52.9 per cent), motor cycles (72.6 per cent), TV sets (41.4 per cent), TV tubes (11.6 per cent), zip fasteners (30.5 per cent), ball bearings (11.5 per cent).

JETRO says all or nearly all are now being imported by the U.K. to introduce import restrictions or preparing dumping charges against Japan. The only product on the list in which Japan's market share is not increasing according to JETRO is TV tubes.

These were the subject of dumping charges by the British industry last year. The charges were not pursued after Japanese tube exporters announced substantial price increases for their products but the British

committee is, strictly speaking, a resuscitation of a body to promote imports from Europe which was set up in 1973 when Japan was going through its last attack of conscience about its trade surplus with the U.K.

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On a practical level the Japanese Government is now moving to assist British and other European exporters by setting up a committee to explore the U.K. to introduce import restrictions or preparing dumping charges against Japan.

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TOKYO, August 31.

BY DAVID SELL

WASHINGTON, August 31.

OVERSEAS NEWS

'Security treaty' hint as Sarkis visits Damascus

BY IHSAN HUJAZI

BEIRUT, August 31.

TALKS held in Damascus today that a Syrian role in Lebanon is essential for the time being. Mr. Elias Sarkis, with President Hafez Al Assad are expected by informed observers to produce a Lebanese official framework of their size and locations on a profound impact on the overall Lebanese situation. The political quarters that a said, however, will not be "security treaty" may be regime of Mr. Sarkis as soon as he takes over office.

This was the first major contact by Mr. Sarkis since he was elected by the Lebanese parliament last May 8 to succeed authorities had asked the Syrian President, Suleiman Franjeh, troops to enter Lebanon last whose six-year term in office will June.

President Al Assad in his speech on September 23. President Al Assad is his stay neutral between the rival will not be withdrawn unless a factions in the seventeen month-request is made to this effect civil war, is known to feel by the Lebanese President.

PFLP leaders in Cairo

BY MICHAEL TINGAY

CAIRO, August 31.

REPRESENTATIVES of the Popular Front for the Liberation of Palestine stopped over in Cairo this week during a tour round the Arab world to mobilise support for the Palestinians in Lebanon as the conflict between Syria and the PLO continues. Mr. Bassam Abu Sherif, who is the PFLP spokesman in Beirut, said he had not informed the Egyptian authorities before his arrival but they were aware of his presence. Sources close to Mr. Sherif agreed that normally any known members of the radical Rejection Front Group of Dr. George Habash would not be permitted to enter Egypt.

Mr. Sherif denied that he had talked to Egyptian officials but he is understood to have contacted at least one individual in the Egyptian Government whom he has known for many years. Since June, a rift has been developing in the Palestinian movement in Lebanon between those which wish to compromise with Syria and those wanting to go on fighting Damascus. This rift, which has split at least one rejection front group, the Popular Front General Command of Ahmed Jibril, has brought about a temporary rapprochement between Habash's PFLP and moderate groups under PLO chairman Yassir Arafat.

Mr. Sherif said that the PFLP and PLO were obviously closer than for long time. The PFLP spokesman said he had no hopes of Egypt extending its support to the PFLP and his main mission was to establish the commitment of radical Arab states to a long struggle in Lebanon.

Kuwait democracy pledge

KUWAIT, August 31.

KUWAIT'S PRIME Minister, Sheikh Jaber al Ahmed, to-day programmes. He declared in the broadcast that democracy was deep rooted in Kuwait's Islamic traditions of consultation and went on to criticise the Government by circumstances. "This is simply a pause on our march towards democracy," he said in a live broadcast to the nation over radio and television. The Government's wider powers were controlled by the Emir of Kuwait to license if its policies were to be submitted to his 18-month-old if it were proved to serve foreign powers. Sunday on the grounds that the Reuter

New move to ease Korean tension

The American-led United Nations Command and North Korea yesterday held a long meeting behind closed doors to try and ease the tension which followed the killing of two US officers by North Korean border guards on August 18. Reuter

The Command said only the satisfaction of the UN itself, or of other parties, notably the South-West African People's Organisation (Swapo) the main nationalist party. Unless Dr. Kissinger's last minute diplomacy can avert it, the way is now open for a renewed economic Council debate in which many members will press for economic sanctions against South Africa itself, and Swapo will step up its

North Korea proposed at full meeting of the Commission on August 23 that the 500-metre-wide Panmunjom joint security area scene of the killings be partitioned to separate North Korean and UN Command personnel. The UN Command later said it was prepared to consider the proposal.

North Korea gave assurances about the safety of UN troops

Japan warning

Deputy Premier Takeo Fukuda warned yesterday that the Japanese economy would suffer if a political crisis drags on over

efforts to oust Prime Minister Takeo Fukuda. Reuter reports from Tokyo. Meanwhile, a senior

French military official left yesterday for the US and West

Europe to defend Japan against charges that the yen is deliberately undervalued to boost

Japanese exports.

Iran ambush

US officials have confirmed that three Californian men killed in an

ambush by Iranian gunmen in an

attack on top-secret electronic

communications in the

Soviet Union, an American

source said yesterday, according

to UPI reports from Tehran.

Meanwhile, Iran yesterday expelled

the third secretary of the Swiss

embassy in retaliation for similar

action against an Iranian diplomat in Berne.

Cholera in China

A Hong Kong newspaper yester

day published what it said was a

letter from a resident of the

Chinese eastern city of Tian-

shu saying it was caused by

cholera. Reuter reports. The letter

said 600,000 people among the

city's population of more than a

million may have been killed or

injured in the disaster last month.

Uganda inquiry call

A UN committee yesterday

demanded a full investigation into

the human rights situation in

Uganda, UPI reports from Geneva.

ON OTHER PAGES

International Company News:

Hudsons Bay side

Ireland borrowing 17

Farming and Raw Materials:

Hungarian agriculture

Soviet wheat purchase 19

Namibia at the UN deadline

BY STEWART DALBY

THE UN Security Council's let it be known that they expect continued breaking down of petty safeguard their property rights. This, along with their independence of both to be set up by next June. What the conference, which is to preserve their identity, which basically means the retention of the dismantling of the Immorality Act forbidding mixed marriages, was a key provision made at the Afrikaner dominated Nationalist Party conference held here yesterday.

South Africa, however, will retain control of defence, foreign affairs and finance in the interim. The current representation at the talks is bizarre and arbitrary. The Hereros, for example, who represent 6.6 per cent of the population, have 44 delegates, while the whites with 11.6 per cent have three representatives. The Coloureds, with 3.8 per cent of the population, have 10 men at the talks, while the Namas with 4.3 per cent have 21.

The progress, albeit unsatisfactory to the UN, has in part come about because of the UN demands. It is also due to the fact that the black and brown delegations to the Turnhalle have in the last year developed a legislature based on ethnic unity and muscle. As Dr. Benjamin Africa, leader of the Ovambos, constitute 46.5 per cent of the 800,000 population will try and retain power: "I automatically result in an Ovambo majority, which might be unacceptable to other groups.

One suggestion has been that with UN supervised elections on a one man one vote basis of political parties rather than ethnic groups. While the organisation claims support from between 60 and 70 per cent of the population, its rivals see it as basically an Ovambo movement.

The strength of Swapo comes to a considerable degree from the international recognition it has received. The Turnhalle has also agreed that there should be a multi-racial union (although multi-racial schools), equal pay for minorities living in other areas. In this way, itself is seriously split, with some whites who own 50 per cent of the territory's arable land, would be held in prison in Zambia.

NZ unions win wages concession

BY DAI HAYWARD

AS SIGNS emerged that both aimed at creating the greatest impact and cost to employers and according to union sources, the employers were prepared to make some concessions to end the other wage earners.

The strategy of the unions has generally been to call some form "exceptional grounds" there will

New Zealand Prime Minister Robert Muldoon yesterday dodged boleheads of protesters in Wellington Harbour and visited the nuclear-powered US cruiser Truxton to emphasise his Government's support for the Anzus alliance linking the U.S., Australia and New Zealand, UPI reports.

The Wellington bus service will be disrupted to-morrow and railworkers are calling for a general strike. Post Office workers have announced that they will vote next week in their first ever ballot for a nationwide strike. Civil servants have decided to prolong a series of stopwork meetings while boilermakers and car assembly workers are all planning some form of industrial action.

The settlement in the drivers' dispute has been widely regarded as a victory for the strikers here as a victory for the strikers. Mr. Muldoon suggested that when the October cost of living index figure is known, a general wage increase for all workers could be justified.

The Federation of Labour (FOL) — the equivalent of Britain's TUC — would have to apply for this and the Prime Minister himself suggested that the FOL should lodge a claim.

This was a big departure from the stand taken by Government when it imposed the wage freeze just three months ago. The wage freeze was intended to help reduce New Zealand's rapidly

inflation rate. Last year this reached 15 per cent, and the Muldoon administration has set itself a target of reducing this to 10 per cent, by the end of the year.

Other union gains to-day were a concession won by the electrical workers' union that it too could present a case to the industrial tribunal for a 3.5 per cent wage increase.

The electrical workers won an even bigger victory after a threatening serious disruption of electricity supplies if their demands were not met by noon to-day when their employers expressed support for their wage claim. Union leaders believe it will be difficult for the Industrial Tribunal to reject a claim supported by both union and employers.

Another sign of the Government's inability to control the situation came to-day when the Minister of Labour, Mr. Peter Gordon, conceded that the Government had been under heavy pressure from employers' organisations to restore industrial peace, in easing its strong-arm approach came when Mr. Muldoon suggested that when the October cost of living index figure is known, a general wage increase for all workers could be justified.

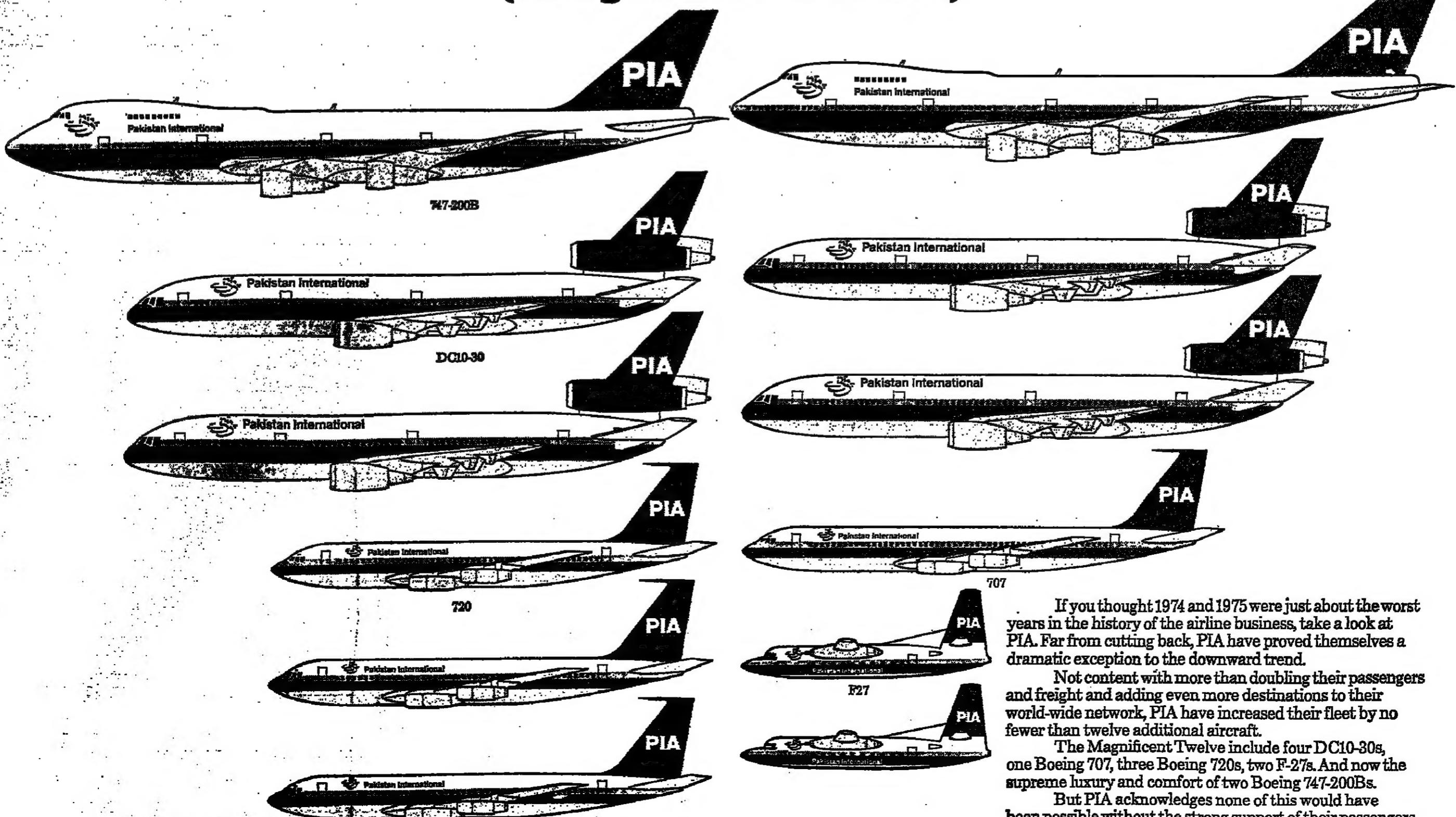
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The drivers' union succeeded in obtaining an agreement from Minister Robert Muldoon nor the employers were prepared either for a pay increase on "exceptional grounds" considered by the impartial Industrial Tribunal or for the unions' strategy.

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Others cut back, we add 12 more aircraft.

(nothing succeeds like success.)



If you thought 1974 and 1975 were just about the worst years in the history of the airline business, take a look at PIA. Far from cutting back, PIA have proved themselves a dramatic exception to the downward trend.

Not content with more than doubling their passengers and freight and adding even more destinations to their world-wide network, PIA have increased their fleet by no fewer than twelve additional aircraft.

The Magnificent Twelve include four DC10-30s, one Boeing 707, three Boeing 720s, two F-27s. And now the supreme luxury and comfort of two Boeing 747-200Bs.

But PIA acknowledges none of this would have been possible without the strong support of their passengers. They can only say — thank you for your confidence!

PIA

Pakistan International

Great people to fly with

EUROPEAN NEWS

Andreotti is new target for bribery allegations

BY ANTHONY ROBINSON

THE FAILURE of Italy's parliamentary commission to follow the example of Japan and Holland and publish the results of their inquiry into alleged corruption by the Lockheed Aircraft Corporation has created a continuing state of ambiguity and suspicion in Italy, whose latest victim is the Prime Minister, Sig. Giulio Andreotti.

Up to now Sig. Andreotti's name has not been mentioned openly in connection with the Lockheed scandal. The parliamentary commission has spent most of its time half-heartedly trying to uncover the identity of the mysterious "antelope reconnaissance aircraft and then to a former Prime Minister who allegedly was involved in Force."

The Prime Minister's office has issued a strong denial that Sig. Andreotti was involved in any of the documents and, like Il Popolo, voiced the suspicion that they had been released as part of a wider manoeuvre to discredit the Andreotti government.



ROME, August 31.

paper Il Popolo "deplored the ignoble method of using the Press to invent scandals destined to create a smokescreen or cover up those really responsible."

This reflects the widespread suspicion here that publication of the latest set of alleged Lockheed documents is an attempt to discredit Sig. Andreotti, who only two weeks ago obtained a vote of confidence which allowed him to form a minority government.

The regime depends for its survival on the abstention of the Communist Party, and significantly the Communist Party newspaper L'Unità to-day came to Sig. Andreotti's support by questioning the authenticity of the documents and, like Il Popolo, voiced the suspicion that they had been released as part of a wider manoeuvre to discredit the Andreotti government.

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'No delay' on German inquiry

BY NICHOLAS COLCHESTER

THE West German Government is seeking access to 30,000 pages of material in the hands of the U.S. Government covering busi- ness dealings between Germany and Lockheed. The German Justice Minister, unwilling to hand it over.

No Bernhard prosecution

THE HAGUE, August 31.

THE DUTCH Parliament has voted to prosecute the Prince of Orange despite Prince Bernhard's disgrace for his role in the Lockheed bribe scandal.

The 150-member Parliament last night rejected Left-wing demands for the Prince's prosecution and called to the Queen as a pillar of the country's constitutional system. During an emergency debate speakers condemned Prince Bernhard's involvement with Lockheed, but always paid tribute to the Queen's courage.

After the debate only two Parliamentarians, representing anti-monarchist Pacifist Socialist Party, stood in favour of their

Official inquiry in Greece

ATHENS, August 31.

AN OFFICIAL inquiry is under way into alleged payments by Lockheed to Greek officials based on data supplied by the U.S. Government, Defence Minister Evangelos Averoff-Tositsas said. AP-DJ

OECD warns Belgium

BY RUPERT CORNWELL

A WARNING of the danger of monetary turbulence of recent months has caused a tightening of interest rate policy.

Even so, the problem remains forbidding. The OECD Secretariat predicts a rise in consumer prices of 10.5 per cent this year, and comments that for the first time Belgian inflation is now tending to outstrip the average in the 24-nation OECD area.

Belgian exporters, meanwhile, have managed to hold their prices in line with those of international competitors, even as the report suggests—they have been forced to take lower profit margins and thus damage their investment capacity. The consequence is that in 1976 private productive investment may drop once more, to be only partially offset by a rise of almost 8 per cent in government expenditure.

The correct formula is further complicated by the acute unemployment within Belgium.

BONN, August 31.

Herr Vogel said that in two visits to Washington earlier this year a Defence Ministry official, Herr Fritz Josef Rath, had managed to acquire only a small amount of written material. The visits had, however, interested the Government in acquiring the other material, which went beyond what Washington had already made available.

The Minister insisted that it was absurd to suggest that West Germany had been going slow in its inquiries, to allow the election on October 3 to pass before the search began.

A Justice Ministry official is to go to Washington in September or early October to negotiate the handing over of material. It will then be examined by the Justice Ministry in Bonn and, if it suggests the slightest grounds for suspicion, it will be referred to the courts, to the prosecuting authorities, or to a committee of investigation.

West Germany bought almost 1,000 Lockheed Starfighters in the early 1960s at a time when Herr Franz Josef Strauss, the leader of the Christian Social Union, was Germany's Defence Minister. At the end of last year allegations were published in the U.S. by a former employee of Lockheed suggesting that the Christian Social Union—Bavarian sister party to the Christian Democrats—had been paid money by Lockheed because of the sum, bribe paid by the aircraft company, the Oslo evening daily Dagbladet reported to-day. CSU.

Staffjord order for Norway

By Fay Glester

OSLO, August 31.

NORWAY is to get the long-awaited order for the second aviation platform needed on the giant Staffjord oil and gas field and, like the first, it will be a Condeep, Norwegian TV reported to-night.

The Staffjord field, the largest yet discovered in the North Sea, overlaps the boundary with Britain's sector and is being jointly developed by the Statoil-Mobil Group, licence holders on the Norwegian side, and Conoco-Gulf (BNOC), licence holders on the U.K. side.

In an unsourced report the newscast said all members of the two groups, apart from the BNOC, had agreed at a meeting this afternoon to begin negotiations with Norwegian Contractors about the concrete structure, which will be built in Stavanger.

EEC steel leaders to discuss new plan

By David Currie

BRUSSELS, August 31. STEEL INDUSTRY leaders from the EEC countries meet in Brussels to-morrow to examine the Commission's proposals to reinvigorate the activities of the European Coal and Steel Community, the regulating body which supervises the activities of the Community's steel industry to make it more "competitive" of tackling industrial crises.

The meeting is one in a series by M. Henri Simonet, the Commissioner in charge of steel, has been holding with both sides of industry and users to introduce his blueprint for a more powerful and interventionist governing body. The plan envisages closer monitoring of investments, production agreements with individual companies, and the fixing of indicative minimum prices to avoid cyclical crises in the industry. It leans heavily on the Commission being able to produce accurate forecasts of demand and supply to form the basis for voluntary observation of

Concern in East Germany over Polish food shortage

By LESLIE COLITT

EAST BERLIN, August 31.

EAST GERMANY is concerned about the worsening food situation in neighbouring Poland where meat products are reported to be in extremely short supply.

East German travellers returning from Poland report that long queues are forming at butchers shops and supermarket meat counters which Polish housewives discover are scarce of meat before noon. The also sausage, a staple diet, is also becoming a rarity.

Reports from Westerners living in Warsaw say the meat situation there is little better and early-morning customers are buying up whatever they can afford as rumours course through the country that rationing may soon be introduced. The Polish Communist post-war Poland. Poles con-

Changes at top level in Bank of Italy

The Bank of Italy yesterday announced its new appointments within its four-man governing directorate, refusing a determination to retain its traditional independence from inappropriate political interference and preparing the ground for a new generation of top executives from within the central bank itself, reports our Rome correspondent.

Sig. Mario Ercolani, the former deputy director-general, has become director-general, so taking over the position formerly held by Sig. Rinaldo Ossola who left last month to become Minister of Foreign Trade. Sig. Ercolani's former position has been taken by Sig. Mario Scattolon who joined the research department of

The effect on East Germany of unmet Poland would probably be more economic than political as Poland is East Germany's third largest trading partner and disruptions in Polish production would hit the rigidly planned East German economy.

Shortages of meat and meat products have been endemic in Poland. Poles con-

to the West.

Genscher crash

Foreign Minister Hans-Dietrich Genscher and members of his Free Democratic Party election campaign were involved in serious traffic accident while travelling between two rallies on Tuesday, police said. Sig. Genscher, reports UPI, initially reported two persons were killed and seven injured.

Police said Genscher escape unharmed and immediately went to the hospital in Ulzen to care for the injured.

Danish N-plant

A group of anti-nuclear power plant demonstrators on Monday night passed an security system at an atomic research station and were shot at. One of them was hit in the head by a bullet and was taken to a hospital in Ulzen to care for the injured.

The group's target was a

Risø atomic research station, miles north of Copenhagen.

Cyprus coup 'president' jailed

By OUR OWN CORRESPONDENT

NICOSIA, August 31.

NICOSIA SAMPSON, the former EOKA guerrilla who became puppet President of Cyprus for eight days following the temporary overthrow of President Mr. D. Demetrides, described at their disposal. The arms case as "unique in the which were destined for the criminal annals of Cyprus." Its defences of Cyprus were used by the Nicosia Assize Court to 20 years' imprisonment for his "puppet government."

Sampson had pleaded guilty to a charge of usurping the office of the President of the Republic of President Makarios. The judge said: "The per- calmly. His lawyer said there and aiding the carrying on of petrators of the coup, who un- would be no appeal against the warlike operations against the fortunately were Greek officers sentence.

MONSIGNOR LEFEBVRE'S CHALLENGE TO THE POPE

Pebbles in the fisherman's shoes

By DOMINICK J. COYLE, IN ROME

IT HAS BEEN a bad summer for Pope Paul VI, leader of the world's estimated 700m Roman Catholics. For a while during the recent Italian general election campaign, it looked as though the Communists might emerge as Italy's largest single political force. They did not, but it was a relatively close run thing, and a Communist nominee, Professor Giorgio Carlo Argan (67), has now taken over as Mayor of Rome, the Eternal City of Pagan.

That appointment is, in a way somewhat of a "challenge" to the Pope's temporal power, although of course the tiny Vatican state is but a small area of Rome itself.

Last Sunday in the sports stadium of the northern French city of Lille there was a much more direct and important challenge to the Pope's authority in his primary function as the spiritual leader of Roman Catholicism, to Catholics of all denominations.

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HOME NEWS

State watchdog group urges new line on N-waste

BY DAVID FISHLOCK, SCIENCE EDITOR

THE National Radiological Protection Board, the Government's watchdog agency on public exposure to radiation, has proposed a "new and comprehensive" examination of practices for the significant environmental contamination of nuclear wastes in Britain.

The proposal, first made by the Board to the Government two years ago, is disclosed in evidence to the Royal Commission on Environmental Pollution, published to-day.

The Commission, whose report, Nuclear Power and the Environment, is to be published later this month, is expected to criticise some of the present methods for disposing of nuclear wastes, and of the scale of effort being made to develop new methods of waste disposal.

The Board's evidence says that, were it not for the long-lived transuranic isotopes such as plutonium, nuclear waste would be simple. Alternatively, the transuranic would present a strontium elements could be separated chemically before the waste is vitrified.

The vitrification process, now being developed, will turn the waste into a form where its storage would be a relatively simple matter.

NRPB 1974-76, SO, 50p.

BP warning over new refinery

By Ray Dafter, Energy Correspondent

BRITISH Petroleum's deputy chairman, Mr. Monty Pennell, has warned that the construction of a new oil refinery in Britain or Western Europe during the next 15 years would be a gross waste of resources.

The warning is contained in a letter to Mr. Tam Dalyell, Labour MP for West Lothian, and is a clear sign that BP is concerned about the £100m refinery proposed by the Cromarty Petroleum Company at Nigg Bay, Easter Ross, in Scotland.

Mr. David Steel, BP's chairman, has already taken the unusual step of publicly criticising the plan.

Mr. Dalyell has opposed a Parliamentary Bill for the acquisition of land at Nigg Bay. The Bill will be debated by the Commons next session.

In his letter, Mr. Pennell writes: "There is to my mind no doubt that construction of new basic refining capacity in this country, or in Western Europe, at any time during the next 15 years would be a gross waste of resources."

Mr. Dalyell has forwarded the letter to Mr. Anthony Wedgwood Benn, Energy Secretary. "How can the Government possibly suppose that there is any case at all for a refinery in Easter Ross?" Mr. Dalyell writes to the Minister.

AS COUNCIL workmen did their best to sweep away the visible signs of Monday's riot yesterday morning, the atmosphere in London's Ladbroke Grove was like that after a party which had gone disastrously wrong: nobody was quite sure what damage had been done the night before or whether they were on speaking terms with the other people who had been there.

Shoppers gathered in groups outside the shattered shop windows and women cleaned their steps of broken glass and empty Coca-Cola cans which on Monday had been used both as percussion instruments and missiles.

Others wandered disconsolately round looking for their dustbin lids which had been used as shields in the police charge on Monday night, while the shopkeepers counted the cost of broken windows—in the case of most of the 31 premises damaged—and stock in the three shops which were looted.

Outside the Co-op, whose licence had been looted, losing £3,500, crushed tins of baby foods mingled with the broken bottles.

As after a bad party, most of those on the streets were treading carefully, anxious not to upset already sensitive feelings.

It is to its official representatives that "it's a shame" was the most common remark heard from both sides.

Many of the older people—both police and local residents—took refuge in the comfortable interpretation of events: that it

Terry Kirk
Menswear shop owner Mr. Ansel Kardon checks items left after the looting.

what it had been like less than 24 hours before.

Most of those talking on the streets agreed it had not been primarily a confrontation between blacks and whites. For most of the blacks the enemy had been the police.

One social worker said that it had been like a "tinderbox." The appearance of the police in such large numbers, coupled with the memory of incidents like the recent troubles in Southall and the general feeling among the young blacks that the police pick upon them, had, she said, made it "very unlikely" that the carnival would end peacefully.

Many of the whites took a similarly fatalistic view, but for different reasons. In their view, violence was the inevitable outcome of so many people dancing in a small area.

"You wait," said one black teenager. "It will be worse next year." If it's banned, people will come from all over the country to show that the police cannot do "on treating us the way they do."

Some whites felt freer as a result of Monday's events, to make the kind of racist remarks which only a week ago they might have felt inhibited from making to a stranger.

Nobody wanted to draw comparisons with the 1968 Notting Hill Gate race riots but the possibility of a repeat of this kind of confrontation was on many people's minds.

New Warerite owner to push laminates

By RHYD DAFTER, TEXTILES CORRESPONDENT

A MAJOR effort to stimulate sales of decorative laminates in the U.K. is planned by Perspox, Perspox, which has an annual turnover of around £20m, in the Swedish chemicals and plastics group, which takes control to-day of the U.K. company exports to the U.K., is planning Warerite at Aycliffe, Co. Durham, over the next 12 months to integrate the Warerite and earlier this year that it was Perspox business in the U.K. buying Warerite, the number under the Warerite name. The two British decorative laminates, name Perspox will be retained that increased use in hospitals, schools and other institutions will bring U.K. consumption closer to European levels. Following the acquisition for an undisclosed sum, a new company, Perspox Warerite, has been formed.

The sale of Warerite, which BXL decided some time ago did not fit into its plastics raw material business, is to be followed by a withdrawal of BXL from other "activities" on the Aycliffe site over the next 18 months with the loss of several hundred jobs. Workers at the Aycliffe site, the company's thermosetting and polyethylene divisions at Aycliffe were informed some months ago that activities were to be concentrated at other sites operated by BXL, a subsidiary of the U.S. chemical company Union Carbide.

This year 15,000 people are going to be glad they didn't settle for the same old £2,000 family saloon.



Chevron to launch Ninian platform

By RAY DAFTER, ENERGY CORRESPONDENT

THE CENTRAL PLATFORM for the Chevron Group's Ninian oil field is due to be floated from the dry dock at Loch Fyne, Wester Ross, Scotland. In the next week, the platform is being built by Howard Doris, an Anglo-French consortium, at a cost of over £100m. It is claimed that the structure will be the biggest man-made object ever built when it is towed from Scotland to the North Sea next year. Some 870ft high when complete, it will weigh 450,000 tonnes, and about 600,000 tonnes when ballasted. The field, 100 miles north-east of the Shetlands, is due to begin producing in the spring of 1978. About 150,000 tonnes of the platform has been built and this has section which will be towed from the dry dock to the "wet" construction site, three miles away in Loch Carron. The "float-out" operation, inaugurated by Prince Charles, Sweden and Neste Exploration on July 21, will begin this month.

IN BRIEF

Vauxhall tops up Chevettes

Vauxhall put the finishing touch to the Chevette range adding an estate version to the saloon and hatchback variants first launched 3 months ago.

The new two-door model is available in one version only and is powered by the normal 1288cc five gears. British Leyland's Triumph TR7 is to be offered with a five-speed gearbox from to-day. The unit, first used in the new Rover 3300, will add £131 to the basic price of £1,468. Leyland is also offering the Borg Warner 63 automatic gearbox as an optional extra for £228.

City scores

Financial institutions increased their net overseas earnings by £14m. in 1975, according to a detailed breakdown by the UK Balance of Payments published to-day by the Central Statistical Office.

Lay-off SOS

Job Caledon, Scottish shipbuilding company, has applied for the government's voluntary employment subsidy of £20 a week each in an attempt to avoid laying off about 100 steelworkers at the yard for up to two months.

15% loans

Advisors who investigated the scheme by which officials of the Central Regional Council in Scotland, and were awarded housing loans at the scheme, gave the officials an improper advantage; that it was within the discretion of the

between now and the end of the year, an untold number of people are going to spend £2,000 or so on a brand new car and drive home in an old idea.

And very pleased they'll probably be with their old idea, too.

After all, who could say that the well-known family saloons of this world haven't done sterling service over the years?

On the other hand, a slightly smaller number of people are going to spend roughly the same sort of money, and drive home in a new idea.

Ours, the Fiat 131 Mirafiori.

Just a month after it was launched, the gentleman from 'Car' magazine, in their June 1975 issue compared the Fiat 131 1600 Special, the Cortina 1600L, and the Marina 1.8 Super.

THIS IS WHAT THEY FOUND

First, engine sizes:

The Fiat 131 Mirafiori 1585cc. The Cortina 1600L 1503cc. The Marina 1.8 Super 1798cc.

As you can see, they're all fairly evenly matched.

In the acceleration test the Fiat 131 cruised from 0-70 mph in 16.8 seconds.

The Marina came next in 17.9 seconds. And the Cortina last in 20.8 seconds.

So the Fiat was appreciably quicker off the mark.

In the top speed test, all 3 cars finished in the same order.

The Fiat came first with 98 mph, the Marina second with 95 mph, and the Cortina last with 93 mph.

As far as the tricky subject of fuel consumption was concerned, all 3 cars got the same treatment under a variety of conditions. And once again they finished in the same order.

The Fiat was first, averaging 33.8 mpg, the Marina second with 30.1 mpg and the Cortina last with 27 mpg.

HANDLING AND ROADHOLDING

'Car' magazine described the 131's superiority over the other two in 5 words.

"In an entirely different league." To this they added: "It's among the best handling and most tenaciously gripping conventionally engineered cars yet produced."

COMFORT AND RIDE

As far as comfort is concerned, interior dimensions must be of some significance. So we must point out that while the Fiat 131 offers more

shoulder room all

round and more leg

room in the front,

we don't beat the

other two in other

similar areas. We

do however, offer

the biggest boot,

and an adjustable

steering wheel.

And ride? Once again we came out best in their opinion. The Fiat 131's suspension engineering was described as "first class," the suppression of road noise "very good indeed" and cross wind stability "above average."

SAFETY

Both the Cortina and the Marina are obviously obliged to meet existing EEC standards.

But the Fiat 131 goes further.

Its extra strong passenger safety cage more than satisfies all known and impending European and American legislation.

A truly outstanding achievement.

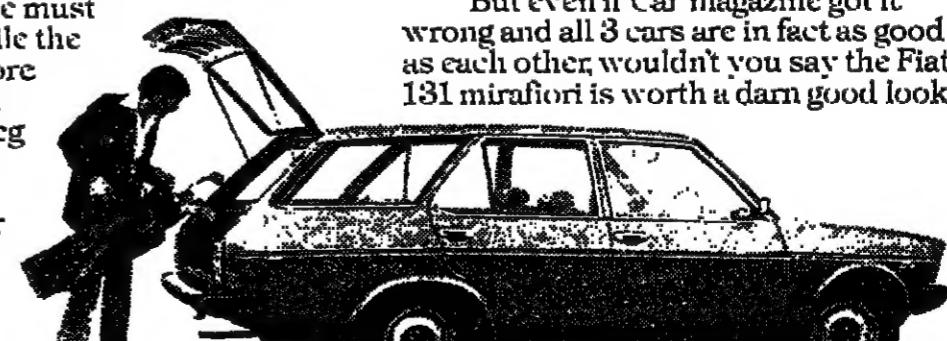
THEIR CONCLUSION, AND OURS

As you might expect, 'Car' magazine voted the Fiat 131 the best of the three by quite a considerable margin.

However, there is every chance that you consider comparisons of this kind to be rather subjective.

Which is fair enough.

But even if 'Car' magazine got it wrong and all 3 cars are in fact as good as each other wouldn't you say the Fiat 131 Mirafiori is worth a darn good look?



AND FLAT MASTERCOVER

-2 YEARS PEACE OF MIND

Probably the most comprehensive after sales protection scheme available in the U.K., Fiat Mastercover comes on every new Fiat car and lasts for 2 years, up to a maximum of 24,000 miles.

To—Flat Information Service, 282-288 Richmond Road, London E8 9QT
Please send me a reprint of 'Car' Magazine's Road Test, together with information on the Fiat 131 and Estate range.

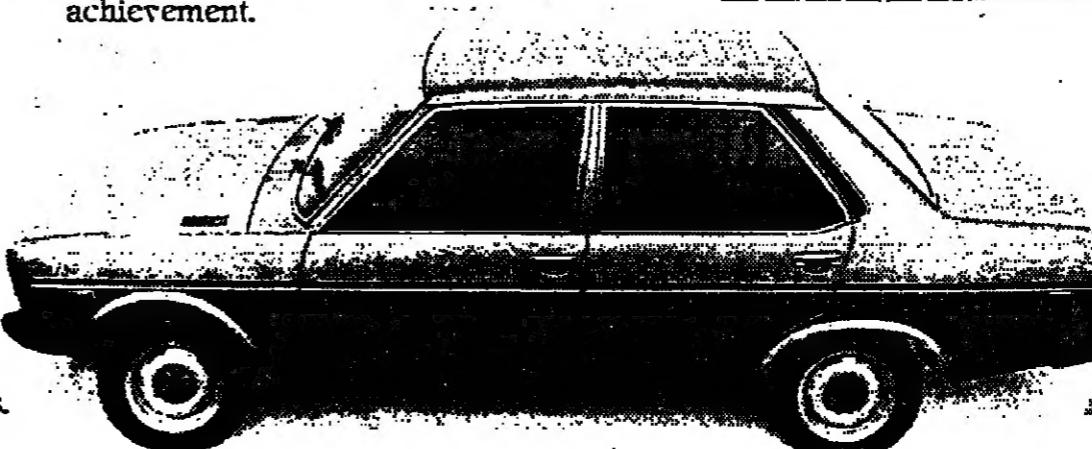
Name _____

Address _____

FIAT

MASTERCOVER

2 years peace of mind



FIAT 131 We put excitement into sensible cars.

The Fiat 131 range starts at £2,058. The 131 1600 Special 3-door is £2,576. Fixed restraints available on Special versions only at £1,000. Automatic transmission only available on 1600cc models. Prices correct at time of going to press and include car tax and VAT but exclude number plates, seat belts and delivery charges.

COMPANY NOTICES

Redemption Notice

ELECTRICITY SUPPLY COMMISSION
(South Africa)

Guaranteed Floating Rate Notes Due 1982

NOTICE IS HEREBY GIVEN that there has been selected by lot for redemption on September 30, 1976, the principal amount of \$1,000 of the principal amount of each Note to be redeemed appears after the number serial numbers:

Note Number M Series (the principal amount of each Note to be redeemed appears after the number of each Note):

5 39 72 107 138 217 247 283 315 364 386 423 456 489 521 554
582 625 666 692 722 758 782 826 859 892 928 960 1024 1059 1092 1126
1158 1193 1228 1264 1301 1336 1371 1420 1451 1485 1517 1548 1581 1615 1649 1681
1716 1750 1783 1818 1853 1884 1917

Note Numbers X Series (the principal amount of each Note to be redeemed appears after the number of each Note):

7 55 60 64 68 72 76 80 84 88 92 96 100 104 108 112 116 120 124 128
45 49 53 57 61 65 69 73 77 81 85 89 93 97 101 105 109 113 117
87 90 94 98 102 106 110 114 118 122 126 130 134 138 142 146 150 154
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LABOUR NEWS

Civil Service, public sector unions to fight cuts

BY DAVID CHURCHILL LABOUR STAFF

CIVIL SERVICE and public and teaching unions, as well as men's economic justification for time preparing to mount a united front against the Government's proposed public expenditure cuts.

This move, timed to coincide with the TUC and Labour Party conferences over the next few weeks, comes as many unions are increasingly concerned over the Government's handling of the economy.

TUC leaders are seeing the Prime Minister today to seek assurances that the Government intends to reduce the 1.8m. unemployment level as soon as possible.

The General Secretaries of the main public service unions are planning to meet during the TUC conference in Brighton next week to discuss, according to Mr. Alan Fisher, general secretary of the National Union of Public Employees—which has been at the forefront of opposition to the cuts—"our common problems over the cuts and to work out a joint campaign."

The meeting is expected to include representatives from the SCPS, made it clear that they were challenging the Government of the public.

Seamen advertise for support

Worker-Director recall right urged

BY JOHN ELLIOTT

AN ATTEMPT to secure public support for the pay dispute involving 38,000 merchant seamen, which threatens a damaging industrial strike and the Government's new pay policy, was made yesterday by the National Union of Seamen in a series of national newspaper advertisements.

The advertisements, costing several thousand pounds, say that the union wants fair play for its members who, it claims, are being asked to forego the £6 pay rise under the previous pay policy.

But both the Department of Employment and the TUC have ruled that, because the bulk payment in the seamen's three stage pay award last year was in January, they will have to wait until January 1977 for their next rise and will then have to settle under the new £2.50-£4 guide-lines.

The union, however, claims that since the original pay award was made in July 1975, its members are entitled to a £6 rise deducted to last July and are planning agreements and says currently balloting their members that information passed by com-

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The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

• COMMUNICATIONS

Light carries the message

THOUGH not enormous, as Post Office contracts generally go, one placed yesterday with BICC Telecommunications. Cables is of great significance as it represents the first truly commercial application to Post Office operations of optical fibre.

The BICC group company is to supply 21 km of two-fibre cable which is to be used in assessing the Post Office's experimental systems and equipment which have been developed at the Marlesham research centre.

Part of the cable supplied will go to provide an 8 Megabit link between Marlesham and the Ipswich exchange. This is a distance of 12 km and there will be a repeater at Keggrave. At the same time, a separate cable will be laid from the centre to Keggrave (5 km) in operate, it is hoped, at 140 Megabits.

As shown in the illustration, the cable has two cavities with an optical fibre of high quality glass in each. The two are arranged on the neutral axis between two flanking steel wires which provide enough strength to allow the cable to be installed by conventional techniques in standard ducts.

The sheath of the cable is black polythene and its structure is similar to that of cables installed, for the same optical communications research work in collaboration with Plessey Telecommunications Research, in



The fine glass cable can be seen between the thumbs.

duct at Taplow Court. Successful the lowest attenuation factor operation has been recorded Japan recently made claim to with this cabling over the past have produced such a material, based on Southampton University work.

The medium of communication down the cables is light, modulated in accordance with the type by a process called "doped deposited silica". Patented by

Corning in the U.S., it is the

light can be produced by lasers. Clearly, the important factor in the manufacture of the glass is the reduction of light absorption to a very low degree and manufacturers all over the world

are working with one another to

produce a commercial glass with

High gain and low noise

MICROWAVE transistors in a wide range of packages and performance characteristics, all with high gain and low noise figures have been introduced by Motorola.

All the devices are available with full S-parameter characterisation at 500 MHz and at 1.0, 1.5 and 2.0 GHz. The devices are of interest to those building commercial, industrial and military communications equipment.

These ion-implanted NPN silicon transistors are built using gold metallisation techniques. All have high current gain-bandwidth products ranging from 4.0

to 5.0 (GHz) and offer power gains in the range 7 to 16 dB at 1 GHz with noise figures down to 2 dB at 1 GHz.

The three case types available are a TO-72 metal can, a ceramic stripline case for thin and thick film applications, and a plastic stripline case. More from

Empire Way, Wembley, Middlesex HA8 0PR (01-802 8836).

Low cost answering

A TELEPHONE answering machine which is not much bigger than the base area of a telephone set, and on which the telephone sits, can now be rented from Acavox Answering for £1.03 a week on a three year pre-paid contract.

Called the C103, the machine

is source material for its over seas broadcasts.

REEDS

The Management Page

Holiday time in Whitehall means catching up with delayed business and coping with sudden crises. Peter Hennessy explains how it is organised.

How Ministers govern from the country

THE WEEKS of late August site of the new assembly at half. It has a system of "duty priests" at both Ministerial and official level who stay behind and no department is ever without a junior Minister and a deputy secretary present and in charge.

Under the doctrine of Ministerial responsibility, civil servants have discretion to take decisions in accordance with clearly specified policy directions laid down by their Minister.

But should a matter arise requiring a major decision and involving a significant departure, in principle, from existing policy, no official, however senior, could assume he knew his Minister's mind and resolve the matter at his own discretion. In such cases—a major industrial rescue operation would be an example—the Secretary of State and the relevant Cabinet Committee would need to be summoned, briefed by the civil servants, and left to take the decision.

Little work however is generated during the summer weeks and civil servants take the chance to clear cluttered "in-trays" with considerable enthusiasm. But while making their decisions, civil servants are reluctant to do much without the duty Minister at least being informed. The Industry Department officials, for example, made sure that the issues behind the siting of the proposed Toyota distribution centre were fully presented to their political masters.

The despatch boxes sent off to the resting Ministers will usually contain less urgent material than is normal during a Parliamentary session. There is unlikely to be much Cabinet committee material but there will be background briefing documents, personal correspondence, and, occasionally, newspaper clippings for the publicity conscious—or maybe just appreciative—Minister.

But back at Ministerial headquarters, many civil servants in main policy divisions will also have gone on holiday. So the policy sections of the Departments will be run down somewhat but elsewhere, holidays are taken by clerical civil servants in the normal way throughout the year. In a large Department like offices split them up into



The Prime Minister's despatch box is loaded into a Government car at 10 Downing Street to be taken to his country retreat

Environment, one of the four "workhorses" and others. Mr. permanent secretaries is always Anthony Wedgwood Benn, at his desk, and either Mr. John Gilbert, Minister for Transport, or Mr. John Silkin is on call first category. Though he has been repaired to his country home in Essex, two red boxes full of papers are ferried each week from his Millbank headquarters.

At the other extreme—and perhaps unfairly—the grapevine places the Chancellor of the Duchy of Lancaster, Mr. Harold Lever, as being informed. He is rumoured to retire to Deauville (in the manner of King Edward VII) without telling anybody where he is. Inquiries last week established that he is indeed in Deauville, but his private office knows he is there.

No department is more "front-line" these days than the Treasury and one of its Ministers is always within easy reach of London. The Chief Secretary, Mr. Joel Barnett, was able to attend last week's Cabinet Committee on the drought without difficulty.

The Chancellor of the Exchequer, Mr. Denis Healey, has so far been uninterrupted as he ponders the highland glens on his Scottish walking holiday, but the Industry Secretary, Mr. Peter Shore, has with him the orange-covered pages of his transport policy review upon which a decision will have to be made before Christmas. Ministers vary in their summer workload. The private offices split them up into

65 PENSIONS and BENEFITS

Women to gain equal status

BY ERIC SHORT

DIFFERENCES in mortality between men and women will no longer be taken into account in ascertaining pension benefits and members' contributions. This is the central theme of the Government's proposals, issued last Wednesday, to end discrimination against women in pension schemes. It means that the Government has accepted the thesis of the Occupational Pensions Board, published two weeks ago, that equal status means equal benefits in identical circumstances.

Most people would agree with this approach; after all this is the era of equal pay and pensions and now regarded as deferred pay. But no Government decree can alter the biological fact that women, on average, live longer than men ("women are made to last" is how a female colleague put it) and that applies in both manual and non-manual grades.

Employers may feel that this is far too technical for them to bother with. But the equality proposals will involve extra costs for the pension schemes which will almost certainly fall on the employer, who should therefore study what the proposals are and what extra cost is involved.

Since pension schemes are funded, a bigger fund has to be accumulated to provide the same pension level for women compared with men. Since this extra cost cannot be reflected in the employee's contributions, the burden will fall on the employer.

Differential

This cost differential is accentuated because in most schemes men retire at 65 and women at 60—the same ages as apply in the State scheme. Figures given by the Faculty of Actuaries to the Occupational Pensions Board (OPB), indicate that the funds needed to provide a given pension level for women at 60 has to be 24 per cent. higher than that needed to provide the same level of pension at 65 for men.

The OPB in its report clarified its recommendation of equal benefits by stating that they meant equal rates of accrual for each year of membership of the pension scheme. It is usual now to express the pension benefits as a fraction of final salary for each year of membership such that union pressure is for 60/60th for each year up to and the only fact holding the maximum of 40/60th. Prior to unions back is the cost of doing the Social Security Pensions Act, this in the State scheme—latest 1975, it was the usual practice to admit £1.4bn.

men at 21 and women at 25. The obvious alternative of raising the retirement age for women, which would actually relieve financial pressure on pension schemes—both State and private—appears to be a non-starter on political and social grounds.

Payroll

So at some date in the future, later rather than earlier, employers will face the prospect of implementing equal benefits at age of 60 and of bearing the extra cost involved. The Government Actuary's Department estimates that it would add 2 per cent. of the payroll to contribution costs for new and existing members and a further 24 per cent. for 20 years in respect of existing employees.

Now employers are facing the prospect of meeting such increases in addition to implementing equal benefits. Pension consultants have been receiving inquiries from many employers on lowering the retirement age to 60 for men but very few companies proceed any further when they learn the cost of the exercise.

Finally, the Government does not propose to enforce the automatic provision of widowers' pensions until this is a feature of the State scheme.

Fortunately there are very few other shocks in the Government's proposals for employers but there is one decision which will be of considerable importance for some time in the future. The OPB report stated that true equality will not be achieved until there is a common retirement age. This Government accepted in its consultative document. But the Government also made it clear that it will not be able to change the situation in the State scheme for some time and that until this happened it would not impose any obligations on occupational schemes to have a common retirement age.

Many commentators have deplored this action and have concentrated on the fact that having a common retirement age would reduce the employers' cost differential for men and women to virtually nothing when survivor benefits were taken into account. But this is very much a levelling-up process, since the pressure is to express the pension benefits as a fraction of final salary for 60 rather than 65. Certainly each year of membership such that union pressure is for 60/60th for each year up to and the only fact holding the maximum of 40/60th. Prior to unions back is the cost of doing the Social Security Pensions Act, this in the State scheme—latest 1975, it was the usual practice to admit £1.4bn.

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BUSINESS PROBLEMS BY OUR LEGAL STAFF

Capital gains tax limit

This year (i) some shares I own in a property company were taken over for £750 and I made a profit (ii) I am considering switching out some £2,000 of a Government stock maturing soon and held for three years into a longer dated stock. I understand this would not involve me in capital gains tax but your reply of July 21 under the heading capital gains tax limit relating to the disposal of a £750 local authority bond suggests I was wrong. Am I?

No, you are correct. The proceeds of sales of gifts held for more than a year do not count towards the £1,000 limit, so you should be exempt from CGT for the current year—unless there is another cash takeover.

In the reply published in the Business Problems column on July 21, we were making the point that the redemption of

local authority bond which is not a "security" does not count towards the limit either. We did not mean to imply that every sale (or redemption) of a gilt-edged security will automatically count towards the limit.

It is difficult to avoid ambiguity in necessarily brief comments on complex legislation.

Fresh planning permission

A builder's yard was used as such from 1912 to 1965 when the builder moved away and the premises were used for storage and in 1971 planning permission was granted for redevelopment for residential purposes. The planning consent was not acted upon and I now wish to use the premises as a builder's yard again. Can I do so without permission?

As the use as a builder's yard did not continue after 1965 and a planning permission was obtained based on a different use, it will not be possible to obtain a certificate of established use as a builder's yard or to resist an enforcement notice if you reverted to use as a builder's yard now. You should apply for a fresh planning permission.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

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WEDNESDAY, SEPTEMBER 1, 1976

Less priority for housing

THE PROVISIONAL housing figures for July leave the picture much as it was before, sober and unexciting. Comparing the three months to July with the previous three months and allowing for seasonal variations, private and public sector starts and completions were both down on the preceding period but higher than a year earlier. In both sectors the trend of new starts compared with last year is more favourable than the trend of completions. So far as the private sector is concerned, there are two main constraints on demand—apart from the fact that the rump of unsold houses has not yet been completely worked off. The first is the availability of mortgage finance. At present the building societies are lending at a higher rate than last year but also at a higher rate than new funds are coming in. If other interest rates do not come down—and there seems little prospect of that at the moment—they may be forced to raise their own investment and lending rates, so further increasing the cost of house purchase.

Mortgage supply

The relative increase in the cost of house purchase which has already taken place is the other main constraint on the private sector's demand for new housing. Costs have continued to rise—while incomes have been held back by the pay policy; this discrepancy affects demand both directly and indirectly, through the fact that if the Government were to resist the obvious political pressures and spell it out plainly, what it has in mind can however, be seen from the two scenarios for growth over the period to 1979 presented to the last NEDC meeting. The first is based on past experience, the second on little else but the need to bring unemployment down to an acceptable level. The average annual growth rate projected for bricks and cement is 0.8 per cent. (against a manufacturing average of 5.7 per cent.) on the less ambitious.

Rapid expansion, the Government may well argue, is not what is needed. Everyone should have learnt from the turing average of 7.9 per cent. may say, that sudden, sharp fluctuations in demand, especially in the case of an industry as a whole will be achieved.

Doubts about the U.S. recovery

SINCE the unsustained any faltering in the growth of growth rate of the first quarter output—the fact remains that of the year—largely the result of the turning of the inventory cycle—the growth of the U.S. economy has slowed down considerably more drastically than most forecasts made in the spring suggested. The latest figures point to a growth rate of little over 4.1 per cent. annually for the six months from April, though possibly with some acceleration towards the end of the period, and despite the large first-quarter gain, some observers are beginning to doubt that the expected 8.6 per cent. rise in output for 1976 as a whole will be achieved.

Puzzling
American experts are far from agreed on this picture, partly because its apparent cause is so puzzling: a sharp rise in personal saving from its already high level, at a period when every hypothesis—whether based on confidence, on movements in real income, or changes in the real value of financial assets—had suggested a fall in savings. Real consumption fell by more than one per cent. between March and July, when real incomes were rising.

Such aberrations in consumer spending have been known before, and it is still perfectly possible that the apparent change in trend is nothing more than a random fluctuation, or a matter of faulty seasonal adjustment. However, the record of forecasting has been so poor since abnormal inflation rates were first seen in 1973 that nothing can be taken for granted; and for the time being, at any rate, opinion surveys show that consumer confidence remains obstinately lower than the Ford administration would consider it just due, or than many economic analysts would consider rational. One possible reason is the rise in the reported unemployment rate.

While economists regard this as a misunderstanding—the rise is due to the rapid growth of the labour force rather than



The Government: Free Democrats Hans-Dietrich Genscher (Foreign Minister) and Hans-Friedrichs (Economic Affairs), above, and Chancellor Helmut Schmidt of the Social Democrats (right).

The Opposition: Helmut Kohl (left) and Karl Carstens (shadow Foreign Minister) of the Christian Democrats and CSU leader Franz Josef Strauß (shadow Finance Minister) above.

German centre gets crowded

By NICHOLAS COLCHESTER, Bonn Correspondent

THERE WILL be a General Election in West Germany

In just over a month. The Opposition says that the country's fate is in the voters' hands. Yet even Chancellor Schmidt has been asked in interviews why so far it has been all so unexciting.

The strange thing is that the election on October 3 has every prospect of being a very close run contest. Opinion polls in West Germany have so far not been prone to the errors to which one is resigned in Britain. In recent months they have confirmed that the Christian Democrats—the conservative opposition party—could be within an ace of the overall majority. Yet they have also consistently shown that the Social Democrats under their party leader, Herr Willy Brandt, and the Free Democrats of Foreign Minister Herr Hans-Dietrich Genscher could still, between them, muster just enough votes to keep their coalition in power and Herr Helmut Schmidt as Chancellor. But the margins involved are one or two per cent—within the margins of error of any opinion poll—and with a month of campaigning to go, the chances are still fifty-fifty.

Such a change of emphasis is welcome, but it would be better if the Government were to resist the obvious political pressures and spell it out plainly. What it has in mind can however, be seen from the two scenarios for growth over the period to 1979 presented to the last NEDC meeting. The first is based on past experience, the second on little else but the need to bring unemployment down to an acceptable level. The average annual growth rate projected for bricks and cement is 0.8 per cent. (against a manufacturing average of 5.7 per cent.) on the less ambitious.

During the following four years, world politics went through a change that propelled West Germany, rather unwillingly, to the centre of the stage. Right on cue, a twist of fate within West Germany gave to the coalition the Chancellor of the country needed to fill this novel role. Politics based on the manoeuvrings of two opposed ideologies was suddenly overshadowed by an economic confrontation between the developed and the under-developed world. At the same time Willy Brandt was forced to resign by the Guillaume spy affair and was replaced by Helmut Schmidt—a man thoroughly at home in the new situation.

In retrospect, it seems that this coincidence of the oil crisis and the Guillaume affair came as a reprieve for the Social Democrats (SPD). Popular support for the coalition was fading away in the winter of 1973-1974. The preliminary euphoria of Ostpolitik had died; the programme of reforms at home was proceeding at a snail's pace. European integration slowed as the inflationary recession tightened its grip. Willy Brandt had lost his energy, and the coalition partners were unhappy with one another. At the same time the political pendulum was, according to local election results and opinion polls, swinging the other way—"towards the Right." More precisely it was swinging towards the centre, for political parties at both ends of the spectrum lost ground as a mood of "no experiments" prevailed among the electorate.

Helmut Schmidt, standing on

The mood of apparent indifference needs to be placed in historical perspective. The emergence in 1969 followed a wave of youthful dissatisfaction which swept through Europe at that time. According to the wisdom of hindsight, this turn in West German politics reflected a growing feeling that the entrepreneurial drive of the "Wirtschaftsminister" needed to be replaced by a period of reform that would spread the benefits of the wealth that had been so quickly created.

Days of easy growth

By 1972, a government crisis forced a new election: it was clear that Germany's days of easy growth were over, that inflation was a looming menace and that government generosity was one of the causes of the problem. But Chancellor Willy Brandt again led the coalition to power in a wave of enthusiasm for his Ostpolitik treaties. These secured the position of Berlin and opened the way towards a more fruitful relationship between West Germany and the Soviet bloc—including the other Germany.

The Chancellor was supported through all this by trade unions that made surprisingly little fuss about unemployment and which cut back progressively on their wage demands. At the same time, the Left wing of the SPD read the writing on the wall and went into a hibernation from which it has yet to emerge. The SPD's party congress in Mannheim last November was a model of political unity that was almost too good to be true.

So to-day we have the sight of a conservative party that has long been more socially imaginative than other conservative parties in Europe campaigning against a social-liberal coalition whose Chancellor is dead centre and whose Left wing is silent. Every recent political dispute has ended in a compromise acceptable to all three parties: investment planning has

been buried, *mitbestimmung* (worker participation) watered down, the treaties with Poland retouched to the CDU's satisfaction. When the foreign observer sees that both parties are using variations of the German flag as their colours in the election campaign, that voters are being urged to vote CDU "out of love for Germany" and for the SPD because Germany is "a model for others," he can be excused for concluding that the opponents in this election have more in common than divides them.

All in all, it is not surprising that 78 per cent of the answers to a recent opinion poll said that it would make little or no difference to government policy if the CDU were to come to power in October. Indeed, if one picks up the election manifesto of either side and dips into it without looking at the cover one has difficulty establishing whose it is.

Given the difficulty of generating specific argument, the parties have resorted to other tactics. The Christian Democrats appear to have touched a nerve in the public with their slogan "Freedom or Socialism." Their explanation of this slogan is that the coalition is, in a "socialist experiment," insinuating itself into every area of people's lives, cramping their freedom with more and more State involvement and bureaucracy.

Danger to peace

Herr Schmidt has retorted that the CDU is a danger to social peace—a rather toned down version of Willy Brandt's original claim that the Conservatives were a "security risk." The Chancellor's argument is that the CDU will cut social services and force the unions to put in inflationary wage demands. Indeed, now that it has been announced that the ebullient Franz Josef Strauß, leader of the CDU's Bavarian sister party, the CSU, would be Finance Minister in a CDU government, it is probable that taxes and government spending will be important themes in the election rallies to come.

The rest of this election is about the personalities involved—and mainly those of the two candidates for the office of Chancellor. Helmut Kohl, who is little known outside West Germany, mainly because he has never had a post in national government. He is Prime Minister of the Rhineland-Palatinate and has been chairman of the CDU since 1973. He was chosen by the CDU-CSU to be the party's candidate because it was feared that Franz Josef Strauß's character and views might prove a little extreme for the middle-of-the-road voter.

Helmut Kohl is projected as the man the normal citizen can relate to. He has integrity and good heart, is a good team leader, is not a specialist but a man of general activities, is true to people and principles. If these sound rather woolly attributes for a future Chancellor it must be said at once that Herr Kohl has proved himself to be a remarkably fast-moving politician when the occasion demands.

Helmut Schmidt, in contrast, has a world reputation and is in some ways the antithesis of Kohl, who has himself criticised the Chancellor for the cult of the "lonely superman." Herr Schmidt is a poor delegator, preferring to apply his formidable mind to everything himself. He is often asked for his opinion about other people's affairs and he often delivers it: he has thus been blamed for resurrecting the old German image of rather abrasive superiority. He is respected rather than liked by voters, and this goes for most of his political associates too. The key point is that many more voters think that Helmut Schmidt should remain Chancellor than Kohl should displace him.

From now on the personality campaign moves into high gear. The Free Democrats are to cross the country with the quartet of able ministers they contribute to the coalition—Hans-Dietrich Genscher, Hans-Friedrichs, Josef Ertl and Werner Mairhofer. Exhausting campaign trips await Herr Schmidt, and Willy Brandt, Helmut Kohl and Franz Josef Strauss. From now on the personality campaign moves into high gear. The Free Democrats are to cross the country with the quartet of able ministers they contribute to the coalition—Hans-Dietrich Genscher, Hans-Friedrichs, Josef Ertl and Werner Mairhofer. Exhausting campaign trips await Herr Schmidt, and Willy Brandt, Helmut Kohl and Franz Josef Strauss. On its head.

Burning issues

So why is the pre-election tension lacking? One can only conclude that it is because the outcome of this battle does not seem to be of great importance to the German people. The burning issues of this election have yet to emerge, and by now one is entitled to doubt they ever will. Economic policy, social policy, foreign policy—none of these areas has thrown up arguments that have gripped the imagination of the voter or epitomised the differing points of view of the contestants. All that is left to the voter is the vaguer "choice" offered by the opposition slogan of "Freedom instead of Socialism" and the personality battle between Chancellor Schmidt, the Social Democrat, and his challenger, Helmut Kohl, of the Christian Democrat Party (CDU).

MEN AND MATTERS

Explaining the shortage . . .

"It's not that they've lost interest," declared a senior civil servant cheerfully. "It's just that they've lost the number." The British public's short memory and a drop or two of rain over the bank holiday weekend combined yesterday to give him the chance to resign by the Guillaume spy affair and was replaced by Helmut Schmidt—a man thoroughly at home in the new situation.

In retrospect, it seems that

water to save them ringing the DoE, too. The man who wanted to reopen an old well in his garden was warned to contact his local water authority, which in all probability is the ultimate owner of the water beneath and so wouldn't be keen on the idea. Those thinking of drilling boreholes are warned that a licence is needed; and the few who are ringing up to complain about illicit use of water by others were told details would be forwarded to water authorities.

Shortly after the somewhat eventful appointment of sports minister Denis Howell to be water "supreme," the unit was set up to deal with public inquiries. And for the first few days, shifts of a dozen Department of the Environment people manned the unit 12 hours a day and were handling 250 calls an hour. At that rate, anyone wanting to get through had to show considerable persistence.

Those who ring up and complain about their neighbours' activities, it takes a degree of patience and diplomacy to explain that the 1945 Water Act has been invoked to ban the hosing of gardeons and motor cars but individual water authorities have to seek orders under the new legislation to ban the hose-filling of garden swimming pools, which can take 20,000 gallons.

Most of those who ring want to "make a little contribution" to solving the general problem, and that usually means telling them about re-using bath water and so forth. The sculptor and professional photographer who wondered about using water to wash the statue of a "club" side or a "national" side, and the Sports Minister decided to opt for caution.

Over the weekend Howell has been unpopular with the public for "carrying your neighbours with you." In other words, tell them same brotherhood—but this what you're doing with the time in a rather less serious



one bottle of benedectine, one bottle of claret, and stir well.

"Take out the borage leaves and throw them away. Float some of the pretty blue borage flowers on top of the bowl, drink the remaining liquid from a tall glass, and wait for pessimism to evaporate." Cheers.

Glory to come

"Why are you wasting your time praying?" a Russian commissar demanded of an old peasant kneeling at the roadside. "You should be working in the fields for our glorious Communist state."

"Our glorious Communist state is what I'm praying for," the old man explained.

"And I suppose years ago you prayed for the Tsar—and look what happened to him," said the Commissar. "Exactly," came the reply.

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AIR CANADA

Observer

COMPANY NEWS + COMMENT

Ladbroke nears £6m. after six months

FOR THE half year ended June 29, 1976, pre-tax profits of the Ladbroke Group reached a record £3.98m., an increase of 18.1 per cent. on the first half last year. Turnover was 21.1 per cent. higher at £149.84m.

Net earnings per 10p share are 8.2p (5.4p) and the net interim dividend is lifted from 1.8p to 2.024p. The directors intend to pay a maximum permitted total of 4.125p for the year, compared with 4.117p in last year, when pre-tax profits totalled £12.83m.

The directors explain that turnover and expenses of the holiday division are excluded from the first half results since most of the season falls in the second half of the year.

The group remains in a strong liquid position, is set for another good year and continues to face the future with confidence.

Turnover 1976 £149.84m. 1975 £132.52m.
Trading profit 1976 £11.74m. 1975 £8.65m.
Overseas 1976 £10.25m. 1975 £8.45m.
Interest 1976 £1.02m. 1975 £0.92m.
Pre-tax profit 1976 £3.98m. 1975 £3.04m.
Tax 1976 £2.18m. 1975 £1.78m.
Net profit 1976 £1.82m. 1975 £1.26m.
Minority interests 1976 £0.08m. 1975 £0.05m.
Available 1976 £2.58m. 1975 £2.31m.

Trading has been buoyant, the directors say, although margins have slightly decreased, particularly in the bottling divisions which have been affected by the smaller number of runners in recent months.

The achievement of additional turnover across the group however, has more than compensated for this.

Two of the divisions, caskets and hotels, are benefiting directly from the increased number of tourists visiting the country and the holiday centres are doing record business through being able to offer low cost holidays to the British public.

In his report for 1975, the chairman Mr. C. Stein, said that negotiations were taking place to let substantial parts of the Square de Meudon development, in Brussels. An agreement has now been concluded with the Belgian Ministry of Public Works whereby the principal developments of the Ministry of Justice will be necessary over 50 per cent. of the office content.

The rent, with annual indexation linked to the cost of living, will commence in September 1976. The remainder of the building will be available for occupation shortly and negotiations are proceeding for the letting.

See Lex

Progress at Joseph Stocks

PRE-TAX profit at Joseph Stocks and Sons (Holdings) for the year ended March 31, 1976, rose from £42.223 to £50.270.

Final dividend is 2.48p net per 25p share, against 2.25p last year, making the total for the year 5.48p (3.25p). Earnings per share are 24.10p (26.41p).

Turnover increased to £20,100,000 (19,600,000). The turnover traded at wholesale provision merchants, importers and distributors.

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picture is always distorted by irregular contract completions, so it is a false impression that ML started this year on a buoyant note. Apart from aviation design work, which is still very active, demand has been fairly stable ever since January, and it will need a pre-ordered backlog in the pipeline before ML's profits really start to move ahead. So with a dull start to the year, it is "touch and go" whether the group can hold full-year pre-tax profits during 1976-77 to last year's £582,000. Still, the yield of 81 per cent. does have a little in hand against the engineering averages to offset this uncertainty.

Brocks halfway upsurge

FIRST HALF 1976 turnover of The Brocks Group of Companies increased from £1.66m. to £1.83m. and pre-tax profit advanced from £15,200 to £47,020. For the year 1975 profit increased from £10,500 to £28,700.

Tax for the six months cannot be assessed accurately at this stage, but it is again expected to be below normal.

The interim dividend is stepped up from 1.15p to 1.265p net per 10p share, and it is intended to pay the maximum permitted total of 2.805p for 1976.

In view of the improved liquidity position of the interim profit, to be met on November 14, 1976, instead of early January 1977, as would have been customary, the figures have been adjusted to exclude those relating to ITR (Holdings) disposed of in December, 1973.

The company manufactures electronic and security equipment.

● comment

Brocks Group, fresh from its November 1975 sale of ITR for £1.8m. cash, has started the year in great shape. Interim pre-tax profit is 49 per cent. higher (on a strictly comparable basis) reflecting both a strong performance from the marine equipment division and a halving of interest charges in around £70,000. The balance sheet has continued to strengthen since the end of last year, with net debt now down to around £20.6m., against £3m. in the last accounts. Moreover, with the alarms division, which in the first half, now beginning to pick up, the introduction of new management, the group's earlier forecast of maintained full-year profits (without the £350,000 which ITR provided last year) now looks a minimum expectation. The share at 49p, yielding a prospective 10.1 per cent., covered twice, therefore seem on fairly firm ground.

AN IMPROVEMENT in pre-tax profit from 20.51m. to a record £20.85m. is announced by aircraft, armament and general engineers, M.L. Holdings for the year to March 31, 1976.

When reporting first half results up from 20.24m. to 20.26m. in the first half, now beginning to pick up, the directors forecast that end profits would be "not less" than the previous year.

The final dividend is 2.4375p net per 25p share for a total of 3.13315p.

● comment

Baxter Fell's recovery, which began in the second six months of last year, has gained pace in the current year, lifting the first-half pre-tax level by 90 per cent. The absence of the dock strike, which helped to depress the corresponding period, must take much of the credit for the acceleration, but the group has also seen a strongly-improving trend in its steel division plus some loss elimination in retail display.

A revaluation of the Northfleet freehold shows a valuation of £2,000,000, against a book value of £1,976,785.

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The final dividend is 2.4375p

IMI halftime profit almost doubled

WITH sales volume beginning to improve towards the end of the period, pre-tax profit of Imperial Industries advanced from £1.8m. to £2.0m. in the six months to June 30, 1976. Sales of this Birmingham-based metal refining, fabricating and slide fastener subsidiary of one-time rival Credit Datal, Imperial Chemical Industries, increased from £167.5m. to £185m. At the time of the merger, says chairman, Mr. Paul Brooks, "in the event, the level of business in our credit reference division has beaten all previous records in spite of the low level of consumer expenditure generally."

The increase in profits is primarily a result of the continued success of efforts made to maintain the more efficient use of resources, together with a further softening in the rate of inflation, the directors comment. The result does not include a pre-tax profit on metal stocks of £2.5m., compared with a loss of £1.5m. in the first half of 1975. Included in the results for the first half of 1976 there was a profit of £1.5m. (of which 50.6m. was attributable to minority shareholders of subsidiaries) representing the changes due to movements in exchange rates during the year. An sterling value of net current assets of overseas subsidiaries.

Rowton Hotels up at halfway

PROFITS of Rowton Hotels for the first half of 1976 increased from £0.5m. (of which 50.2m. is attributable to minorities) emerged from £1.4m. in the first half of 1975. This is not included in the results for the first half of 1976.

The taxation charge has been reduced by credits for investment grants of £0.2m. in the first half of 1976 compared with £0.2m. in the first half of 1975.

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The directors say the total number of visitors to London Park Hotel, Mount Pleasant Hotel and the Grand Hotel exceeded that of the same period of 1975, and contributed to the increased profit. It is hoped that the trade with help maintain good occupancy levels in the second half-year.

Occupancy in the group's London hotels remains high. Following Sun Life Assurance Society's acquisition of more than 30 per cent. of Artesian Properties the Rowton Board decided to accept the offer for its holding in that company. The proceeds amounted to £240,788, on which the capital gains tax is likely to

be about £214,000. In the accounts for 1976 the net profit will be treated as an extraordinary item. See Lex

Expansion at BDS

Record credit reference in

RECENT ISSUES

EQUITIES

Issue	Price	Amount	Shares	1976	Stock	Price	Change	Yield	Dividend	Issue	Price	Amount	Shares	1976	Stock	Price	Change	Yield	Dividend
HOP	1/2	2214	2214	Barry Pacific Fd. US\$1	227	40	0.6	—	—	HOP	1/2	2214	2214	Barry Pacific Fd. US\$1	227	40	0.6	—	—
F.P.	1/2	70	65	Northwick (Tire) Ltd.	65	20	0.3	6.1	—	F.P.	1/2	70	65	Northwick (Tire) Ltd.	65	20	0.3	6.1	—
F.P.	—	1	1	Prentiss (Tire) Ltd.	1	1	—	—	—	F.P.	—	1	1	Prentiss (Tire) Ltd.	1	1	—	—	—
225	—	2214	2214	Barry Pacific Fd. US\$1	227	40	0.6	—	—	225	—	2214	2214	Barry Pacific Fd. US\$1	227	40	0.6	—	—
F.P.	1/2	220	220	Barbro Ltd. (Aus.)	160	—	—	—	—	F.P.	1/2	220	220	Barbro Ltd. (Aus.)	160	—	—	—	—
120	220	220	220	Leach (Wm) Builders	27	25	—1.8	11.5	—	120	220	220	220	Leach (Wm) Builders	27	25	—1.8	11.5	—
120	220	220	220	Wolfe	160	—	—	—	—	120	220	220	220	Wolfe	160	—	—	—	—
120	220	220	220	Wolfe	160	—	—	—	—	120	220	220	220	Wolfe	160	—	—	—	—
F.P.	—	112	98	Tulsa S. I.	112	112	—	—	—	F.P.	—	112	98	Tulsa S. I.	112	112	—	—	—

FIXED INTEREST STOCKS

Issue	Amount	Shares	1976	Stock	Price	Change	Yield	High	Low
100	—	100	100	100	100	—	—	100	100
F.P.	1/2	70	65	65	65	—	—	70	65
F.P.	—	1	1	1	1	—	—	—	—
225	—	220	220	220	220	—	—	225	220
F.P.	1/2	220	220	220	220	—	—	225	220
120	220	220	220	220	220	—	—	225	220
120	220	220	220	220	220	—	—	225	220
F.P.	—	112	98	98	98	—	—	112	98

"RIGHTS" OFFERS

Issue	Amount	Shares	1976	Stock	Price	Change	Yield	High	Low
100	—	100	100	100	100	—	—	100	100
F.P.	1/2	70	65	65	65	—	—	70	65
F.P.	—	1	1	1	1	—	—	—	—
225	—	220	220	220	220	—	—	225	220
F.P.	1/2	220	220	220	220	—	—	225	220
120	220	220	220	220	220	—	—	225	220
F.P.	—	112	98	98	98	—	—	112	98

RECOMMENDATION date last day for dealing free of stamp duty. A Placing to public. b Figures based on prospectus estimate. c Dividend rate paid on total capital, cover based on dividend on full capital, net of tax. d Figures based on prospectus estimate. e Figures based on previous year's figures. f Figures based on prospectus or other official estimate for 1976. g Figures assumed. h Cover allows for conversion of shares not yet ranking for dividend and for conversion of shares not yet ranking for dividend. i Figures based on ordinary shares as a "rights" of 250 pence each. j Figures by way of capitalisation. k Tender allowance price. l Retrospective. m Issued in connection with reorganisation, merger or take-over. n Interim. o Provisional or estimated. p With warrant. q After suspension.

TEX ABRASIVES

Coated Abrasives for all purposes

Reorganisation places group in excellent position to expand

In his statement to shareholders of Tex Abrasives Limited, Mr. L. Evelyn-Jones, M.B.E., the Chairman, said:

Turnover of the group for the year ended 31st March 1976 was £7,29,710 compared with £2,928,849 for the previous year and the profit before taxation was £281,760 compared with £340,290. The fall in profit margin can be accounted for almost entirely by very large wage increases and a vast increase in the cost of our raw materials due mostly to fall in the Sterling/Deutsche Mark exchange rate which, during the year under review, fell by approximately 9%. It should also be mentioned that whereas there were considerable stock profits in the previous year in this year they were minimal.

The recommended final dividend of 2,056.75p net per share makes total distribution of 2,706.75p net per share, the same as in the previous year.

PROSPECTS. The year under review produced the most significant development of the plans for diversification and the group is now in a position to offer both to industrial users and to the wholesale and retail trades a balanced range of products essential to the grinding, polishing and finishing processes required by industry and other users.

Reorganisation within the group has now placed it in an excellent position to fulfil the expansion, which has been decided upon, and hence to take immediate advantage of any surge in demand.

The fall in the value of Sterling appears to have been arrested and indeed there are signs that modest increase in industrial activity has commenced and that inflation has been eased to an acceptable figure. If these trends continue I am optimistic that the future prospects will be rewarding.

See Lex

See Lex

Progress by B. Sunley

WITH sales volume beginning to improve towards the end of the period, pre-tax profit of Imperial increased nearly 1m. in a month treated as an extraordinary item. See Lex

Centre Hotels lower

PROFIT, before tax of hoteliers and restaurateurs, Centre Hotels (Cumb.) declined from £0.77m. to £0.49m. in the year to April 4, 1976, but, subject to normal trading conditions, the directors forecast a "considerably higher figure" this year.

The first four periods of the current 12 months show a "substantial improvement," the report says.

Second half profits of £20,000, compared with £28,129, were adversely affected by the Birmingham and Leicester Centre Hotels taking longer to establish themselves than anticipated—in the current year turnover of both hotels "has considerably improved."

The final dividend per 10p up from 8.6p for a total of 9.6p, compared with an adjusted 8.75p. It is the maximum allowed.

The tax situation arises due to substantial capital allowances being available to the group, in addition to adjustments related to earlier years. It is anticipated that tax will remain at a nominal level for some years to come.

The Newcastle Centre Hotel is now open and is expected to be fully operational in September.

If the acquisition of the outside interests in the Regent Centre and West Centre Hotels previously announced is completed, the cost of the final dividend proposed will be increased by £25,000. See Lex

Grendon loan holders accept new terms

Holders of the £8.9m. worth of Grendon Trust 12 per cent. unsecured loan stock, 1978-81, have voted in favour of accepting terms to cancel the stock. After a poll, 87.8 per cent. of the votes were cast in favour of the resolution at yesterday's extraordinary meeting. It needs the approval of at least 50 per cent. in order to succeed.

The Board, in conjunction with merchant bankers Keyser Ullmann, which has a large commitment to Grendon, had earlier met with considerable opposition from institutional holders. The first offer of £40 cash per £100 nominal of loan stock was rejected. The approved terms offer £40 of stock, plus £2 nominal of (new) 12 per cent. subordinated unsecured loan stock, 1978-81.

The alternative to accepting these proposals would almost certainly have been liquidation of the company. An independent estimate of the likely return to stockholders in that event was put at £35 per £100.

After the meeting, the chairman of Grendon, Mr. David Donne, said: "This has at last removed the uncertainty, and given the Board the opportunity to continue its policy of gradually realising the group's property assets and continuing to develop the unquoted potential of the industrial subsidiaries, in particular."

ISSUE NEWS

Local loans

12% at par

The coupon rate on this week's issue of local authority sterling bonds is up from 11% per cent. to 12 per cent. at par. The bonds are due on September 7, 1977.

This week's issues are: Thanet District Council (£1m.), Tiverton Borough Council (£1m.), Wirral Borough Council (£1m.), Doncaster Metropolitan Borough Council (£1m.), Maldon District Council (£1m.), Preseli District Council (£1m.), Lancashire County Council (£2m.), Beaconsfield District Council (£1m.), City of Norwich (£1m.), North Bedfordshire Borough Council (£1m.), Wyre Forest District Council (£1m.), City of Manchester Council (£1m.), Birmingham District Council (£1m.), City of Manchester (£1m.), Stratford-on-Avon (£1m.), East Devon District Council (£1m.), Leicester City Council (£1m.), County Council of South Glamorgan (£1m.), Wokingham District Council (£1m.), Hampshire District Council (£1m.), London Borough of Ealing (£1m.), Great Yarmouth Borough Council (£1m.), London Borough of Hounslow (£1m.), London Borough of Hounslow (£1m.), London Borough of Wandsworth (£1m.).

Underwriting has been completed for an offer for sale by tender of £1m. Eastbourne Waterworks Company 9 per cent. Redeemable Preference Stock, 1983. Full particulars will be available to-morrow. Brokers to this issue are Seymour, Pierce and Co.

See Lex

See Lex

See Lex</p

MINING NEWS

CRA boosts half-year profits by 48%

BY KENNETH MARSTON, MINING EDITOR

REPORTING a better than expected 48 per cent increase in cash largely as a result of the influence of the Arbitration Commission and this has slowed the rate of increase in operating costs for the "A" suspension period. It is expected that the recovery in major world economies will strengthen as other countries follow the U.S., Germany and Japan. This should be followed by higher investment expenditure and a resulting increased demand for metals.

CRA expresses concern about Australia's declining international competitiveness which, the company says, should not be obscured by the cyclical recovery in commodity prices. However, the investment incentives in the recent Federal budget are welcome, while the industry's shift of resources back to the private sector which will have a significant effect upon future "activities" of the CRA group companies.

First half
External sales .. 44,353 117,428
Expenses .. 3,600 5,000
Gross margin .. 40,753 112,428
Government royalties .. 29,444 13,025
Current and future tax .. 19,728 29,487
Profit before tax .. 20,231 82,941
Attributed .. 8,707 9,821
Net earnings .. 35,581 18,411

* Represents one half of CRA's proposal of an additional payment which will be incurred by the Broken Hill Associated Mines if the 1976-77 budget is not accepted as a result of changing its tax year to a calendar year basis. A further charge of £1,000,000 will be made in the second half.

Consolidated net earnings of CRA for the six months to June 30 of \$28.9m. (£20.3m.) compare with \$19.4m. a year ago and the 1975 total of \$33.1m. The current year's interim is being cautiously increased to 4.5 cents (£4.60) from 3 cents last time when the final 4.5 cents.

Virtually all major companies in the group have contributed to this good earnings performance. The outlook remains one of improving metal prices and a more enlightened Australian Government attitude towards the mining companies.

The only obvious cloud remains the country's uneasy labour relations, particularly the PIAU strike in iron ore field. But it is interesting to note that Australian wage pres-

at Canada's Brunswick Mining and Smelting Corporation's lead-zinc mine has ended with the vote of 1,200 members of the United Steelworkers of America to accept a new two-year contract. The company is controlled by Noranda Mines. The same union has also accepted a new pay deal at Whitehorse Copper Mines in the North West Territory, ending a strike which started in June.

* * *

A fixed price contract worth \$500m. (£42.1m.) has been signed by Utah Development in Australia to supply 15m. tonnes of coal by next March to the Japanese steel industry. It was reported that Utah had agreed to a reduction in the price of some coal as it realised the problems facing the Japanese industry.

More victims of gold's fall

The decline in the bullion price since it touched a best-ever closing level of \$105.50 per ounce in December 1974 has claimed its latest victim in Australia's last producer of the metal, Kalgoorlie Gold Mines Ltd. Charlotte mine.

The company states that losses currently being incurred are greater than can be borne and operations are to be run down over a period to November 16, although this date could be brought forward if economic deteriorate further.

The big question is whether America's Homestake Mining has decided to withdraw from the market. The U.S. company intended to inject up to \$100m. (£4.5m.) in return for a 48 per cent stake in KLV, the remaining participants being Gold Mines of Kalgoorlie and Poseidon, each with 24.44 per cent, and Western Miners with 3.12 per cent.

Apart from the falling metal price, the country's gold mining industry, which has been rendered unprofitable by the fall in bullion, is now threatened with a withdrawal of its tax-free status if KLV plans to keep Mt. Charlotte in a care and maintain-

ance basis.

Canada's gold industry is also suffering as a result of the lower bullion price, with that country's northern Ontario producer, Panmure Porcupine, now saying that it is to curtail operations at one of its four mines in the next few weeks. Other divisions will treat higher grade ore at the current same rate of production in an effort to cut costs. Some 200 workers will be laid off and the company says that further employees could be stood down if the gold price continues to fall.

Yesterday, bullion closed at 1874.75 (14 cents). A strike which started last May 1044.

IMC AND ESSO LINK UP

Australia's International Mining Corporation, one of the nickel boom stocks of the early 1970s, is to link up with Exxon and Esso Australia for a prospecting venture in Cobbar, New South Wales. IMC has six prospecting licences.

Esso could earn up to a 31 per cent interest under the agreement, which is subject to official ratification. Once Government approval has been received, work on exploration and drilling will start.

ROUND-UP

Higher than expected commissioning costs and lower than forecast production have caused the Australian uranium producer, Mary Kathleen, to report a net loss for the first six months of this year of \$1.2m. (£12.8m.). Output in July was 70 per cent of rated plant capacity. Production problems have been overcome but the company does not expect a profit this year. Last week Mary Kathleen, which is 51 per cent owned by CRA, was forced to announce that it was borrowing uranium from the U.K. Atomic Energy Authority to meet contracts entered into during 1970-71.

A total of 87.72m. (£4.35m.) however, goes to the holders of the "A" shares which include Anglo American with some 29 per cent, and Charter Consolidated with 20 per cent. Dividends on the "A" shares are limited to the revenue received from Minco's 30 per cent stake in Engelhard Minerals and Chemicals which has done well.

The 49.8 per cent interest in the struggling Zambian Copper Investments, however, has made little contribution to Minco in the past year and the ZCI dividend outlook remains obscure in view of Zambian difficulties.

A strike which started last May 1044.

Union Corp. Ltd.

Half-year results possibly a little above expectations are announced by South Africa's Union Corporation, in which General Mining has a 30.1 per cent interest. Consolidated net profits in the latest period, to June 30 of R19.85m. (£12.85m.) or 34.2 (22.19p) cents a share compare with R20.35m. or 33.1 cents for the same period a year ago. Dividends and interest received have declined to R16.49m. (£10.69m.) from R17.62m. The higher distribution received from Impala Platinum and certain industrial companies being offset by lower dividend income from gold mining interests which reflected the setback in the bullion price. Profits on realisation of investments, however, have increased to R1.08m. (£0.7m.) from R0.78m. Net asset value at June 30 was 693 cents (448p) a share as against 905 cents at the same date in 1975.

As forecast when recently putting forward proposals to acquire all the shares of its Geduld Investments subsidiary, Union Corporation is declaring an interim dividend of 12 cents (7.78p) and reiterates its intention of paying a final of not less than 24 cents as against the 30 cents paid for 1975.

Mr. Michael W. H. Cohn has become managing director of M. W. HARDY AND CO. Mr. Ronald P. H. Cohn has been appointed a director, and Mr. Derek L. Shaw, an associate director. The changes follow the death of Mr. Ernst Cohn.

Mr. Richard G. Bailey, financial director of the N. G. BAILY ORGANISATION, has been appointed deputy managing director.

Mr. C. A. Preston is to retire as chairman and a director of G. P. TURNER AND CO. and G. P. TURNER (LIFE AND PENSIONS BROKERS) LTD. on September 30. Mr. A. A. Argent, who has been managing director since 1974, will become chairman of both companies and Mr. N. R. Brazley will become deputy chairman of G. P. Turner and Co. Mr. C. S. Kay has been appointed a director of G. P. Turner and Co.

Mr. K. W. Jenkins has become a director of ALWEN HOUGE JOHNSON.

Mr. Eric Jackson has been appointed sales director of REED PAPER AND BOARD (UK) in succession to Mr. David Peacock who has joined the British Paper and Board Industry Federation. Mr. Ken Craig has become sales director of Empire Paper Mills in place of Mr. Jackson.

Mr. T. A. Cross has retired from REDIFUSION which he joined in 1929. He was appointed a director in 1966 and in 1974 left the Board to become responsible for the group in North America.

Mr. C. J. Carter has joined LOWNDES LAMBERT GROUP as a director of the cargo division, and Mr. J. Hockley has been appointed a director of the marine claims and salvage division.

The Financial Times Wednesday September 1 1976

APPOINTMENTS

New Board post at Shell Oil

Mr. D. de Bruyne has been appointed to the Board of SHELL OIL COMPANY. Mr. de Bruyne is a managing director of The Royal Dutch/Shell Group of companies and director of finance and a managing director of The Royal Dutch Petroleum Company.

Mr. Robert W. Nimmer has been appointed deputy managing director designate of LORIMER'S BREWERIES. This new position has been created in anticipation of the consolidation of Lorimer and Clark and Ushers Brewery under the new name of Lorimer's Breweries.

Mr. E. J. Pateman has been appointed a director of JOHNSON MATTHEY AND CO. He was previously group controller.

Mr. Michael W. H. Cohn has become managing director of M. W. HARDY AND CO. Mr. Ronald P. H. Cohn has been appointed a director, and Mr. Derek L. Shaw, an associate director. The changes follow the death of Mr. Ernst Cohn.

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INTERIM STATEMENT

ARTHUR BELL & SONS LTD.



SCOTCH WHISKY DISTILLERS PERTH

Interim Financial Statement (unaudited) for the half-year ended 30th June, 1976

	Half-year ended 30th June, 1976	Half-year ended 30th June, 1975
Group Turnover — Sales to customers outside the Group	40,470,000	31,109,000
Scotch Whisky Division	35,464,000	27,192,000
Glass Container Division	4,006,000	3,917,000
	40,470,000	31,109,000
Group Trading Profit Less: Depreciation	4,021,000	2,703,000
	520,000	372,000
Add: Investment Income	3,501,000	2,438,000
	3,505,000	2,440,000
Less: Interest on loans	1,327,000	1,006,000
Group Profit before Taxation	2,278,000	1,434,000
Scotch Whisky Division	2,617,000	1,301,000
Glass Container Division	(339,000)	133,000
	2,278,000	1,434,000
Taxation (estimated) (Note 1)	1,003,000	445,000
Group Profit after Taxation (Note 2)	1,275,000	589,000

NOTES

1. Taxation for the six months to 30th June, 1976, is a higher percentage charge because of the reduced expenditure on new buildings.

2. For the six months to 30th June, 1975, pre-acquisition profits of Canning Town Glass Limited amounted to £24,000 leaving £265,000 Gross Profit after Taxation attributable to shareholders of Arthur Bell & Sons Limited.

INTERIM DIVIDEND

The Directors have declared an Interim Dividend for the year to 31st December, 1976, of 2.9705p per Ordinary share (2.41443p) absorbing £410,834 (£333,967). The Interim Dividend will be paid on 1st December, 1976, to Ordinary Shareholders on the Register at close of business on 4th November, 1976.

US\$ 30,000,000 8% Bonds with Warrants attached of 1976 due 1988

of Nationale-Nederlanden Finance Corporation (Curaçao) N.V. unconditionally guaranteed by Nationale-Nederlanden N.V.

Notice is hereby given of the appointment of Banque Générale du Luxembourg S.A., 14 Rue Aldringen, Luxembourg as a Paying Agent and Receiving Agent for the abovementioned loan, and the abovementioned warrants respectively.

Nationale-Nederlanden Finance Corporation (Curaçao) N.V.
Nationale-Nederlanden N.V.
Amsterdamsh Trustee's Kantoor B.V.

September 1, 1976

All these securities having been sold, this announcement appears as a matter of record only.

New Issues

\$367,200,000

National Power Corporation

(A Corporation Wholly Owned by the Republic of the Philippines)

United States Export Financing Bonds

Unconditionally Guaranteed as to Principal and Interest by

Export-Import Bank of the United States

(An Agency of the United States of America)

\$12,500,000 8.05% Serial Bonds due June 30, 1987

\$12,500,000 8.05% Serial Bonds due December 31, 1987

\$32,500,000 8.15% Serial Bonds due June 30, 1988

\$32,500,000 8.15% Serial Bonds due December 31, 1988

\$35,000,000 8.20% Serial Bonds due June 30, 1989

\$35,000,000 8.20% Serial Bonds due December 31, 1989

and

\$207,200,000 8 1/4% Sinking Fund Bonds due December 31, 1991

Kuhn, Loeb & Co.

The First Boston Corporation

Salomon Brothers

Warburg Paribas Becker Inc.

White, Weld & Co.

Incorporated

Bancom Development Corporation

Philippine Coordinator for the Underwriters

September 1, 1976

نظام الائمة

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Ireland goes for \$250m.

By Mary Campbell

With its balance of payments deficit expected to be between £200m. and £300m. (£350m. to \$550m.) this year, Ireland is seeking a further \$250m. of external finance. Earlier this year it was loaned \$300m. worth of the \$1.3bn. which the European Economic Community raised from international banks and investors. This time, however, Ireland is raising the funds directly from the banks.

Banking sources say that arrangements for the loan are still in a preliminary stage and that it has not yet gone into the syndication. However, the terms are expected to include a seven-year maturity and a spread of 1% per cent for the first five years and 1.5% for the last two. S. G. Warburg is said to be lead manager working in conjunction with Allied Irish Investment Bank.

** * * *

MITSUI TOATSU CHEMICAL is expected to launch a DM50m. five-year private placement via Berlin, Maters and Frankfurter Bank towards the end of this week. Final terms of the placement which will be guaranteed by Mitsui Bank, will not apparently be settled until next week but the notes are expected to yield about 8 per cent.

** * * *

THE AUSTRALIAN Industrial Development Corporation plans to borrow \$A15m. through a seven-year Eurobond for which subscription and payments of interest and principal will be in U.S. dollars, Reuter reports. The conversion rate would be set before each payment, bond market sources said. Coupon is expected around 10 per cent.

The sources said the issue will not be guaranteed by the Australian state although the corporation is fully state-owned.

The issue is expected to be on offer within about a week, the sources said.

** * * *

ELECTRICITE DE FRANCE is planning to raise \$100m. for ten years on the New York bond market. Lazard Frères, Goldman Sachs and Merrill Lynch would be managing underwriters.

** * * *

THE ASIAN Development Bank is to launch a \$150m. issue offering an indicated 8.5 per cent.

DUTCH COMPANIES

Recovery at Hunter Douglas

BY MICHAEL VAN OS

IN LINE WITH expectations Hunter Douglas, the Dutch-based industrial group, has reported an improvement of profit and sales for the first half of this year. Net profits were to U.S.\$6.2m., compared with \$1m. in the same period last year, while sales improved to \$168.7m. (\$162.7m.).

From Rotterdam the group said that the results reflect its two-year adjustment and restructuring programme and, to a lesser extent, improving economic conditions in some markets. It recalled that business in the two previous years were affected by on-going factors relating to reorganisation, programming as well as by adverse economic conditions.

Last year, Hunter Douglas saw sales fall by some \$5.5m. to \$159.8m. and profits more than halved to \$4.4m. (\$8.8m.). With

ROYAL SCHOLTEN-HONIG (KSH), the Dutch starch and

the reorganisation now substantially completed and further here today that the second half of the financial year 1975-76 (ending on August 27) had ended with another loss, though this was lower than the F11.1m. incurred in the first six months.

Sales of consumer and building products have started to benefit from the recovery of demand in many markets, "although sales prices do not yet reflect increases in aluminium and other raw material costs." These sales increases offset the effect of curtailing certain operations.

Machinery operations, the company adds, while continuing to operate at near capacity levels, are being affected by industry's hesitation on new capital investment.

Last year, Hunter Douglas saw sales fall by some \$5.5m. to \$159.8m. and profits more than halved to \$4.4m. (\$8.8m.). With

the reorganisation now substantially completed and further here today that the second half of the financial year 1975-76 (ending on August 27) had ended with another loss, though this was lower than the F11.1m. incurred in the first six months.

The company, which has been badly affected by trends in the European starch industry, would not give an indication of anticipated results in the current year.

The Board said that any such prediction would be difficult under normal circumstances, but it was even more so now in view of the harvest expectations for factory potatoes in Holland, West Germany and France.

After the first half, KSH said that a second half loss could only be avoided in the event of a rapid improvement in prices, but added that though some improvement had been noted in the paper industry, the company's main customer, prices still lagged considerably behind and that this had put a brake on its ability to pass on higher costs in starch derivatives. It stated at the time that results were unlikely to be positive, despite the possibility that past provisions and reserves might be added back to results.

According to the statement, NDU's sales in the first half have risen modestly to F15.54m. from the same 1975 period (F15.03m.), but the operating profit improved to F15.5m. — more than double that of last year (F12.5m.). Net profit was up to F15.2m. (F13.2m.).

The publisher "optimistically viewed" results for the second half, assuming the improvement in advertising demand continued and there were no unexpected newsprint and wage rises. Its printing activities had been operating at almost full capacity since the end of June. But price levels still remained unsatisfactory.

In 1975, the company paid a dividend of F1.10 per share of F100, or, optionally, F1.7 plus 5 per cent in shares from the premium reserve.

SELECTED EUROWDOLLAR BOND PRICES

MID-DAY INDICATIONS

STRAIGHTS	BID	OFFER	CONVERTIBLES	BID	OFFER
Alcan Spec 1988	1025	1035	American Express Spec 1987	975	975
Aquabrite Spec 1988	1045	1055	Bearsted Foods Spec 1982	975	985
Bowater Spec 1988	1015	1025	Bearsted Foods Spec 1983	975	985
Carbide Nat. Auto. Spec 1988	1025	1035	Bearsted Spec 1982	975	985
CEC Spec 1988	1005	1015	Bearsted Spec 1983	975	985
EIB Spec 1985	1025	1035	Bearsted Spec 1984	975	985
Erap Spec 1985	1035	1045	Bearsted Spec 1985	975	985
Eurobonds Spec 1983	1005	1015	Bearsted Spec 1986	975	985
Grangefield Spec 1985	1005	1015	Bearsted Spec 1987	975	985
ISIC Canada Spec 1988	1025	1035	Bearsted Spec 1988	975	985
Michelin Spec 1988	1005	1015	Bearsted Spec 1989	975	985
Modo Spec 1985	1025	1035	Bearsted Spec 1990	975	985
Natl. Westminster Spec 1988	925	1005	Bearsted Spec 1991	975	985
Nordic Spec 1988	1005	1015	Bearsted Spec 1992	975	985
Odlo Spec 1988	1005	1015	Bearsted Spec 1993	975	985
Prov. Quebec Spec 1984	985	1005	Bearsted Spec 1994	975	985
Prov. Quebec Spec 1986	1005	1015	Bearsted Spec 1995	975	985
Pver. Canadian Spec 1988	1005	1015	Bearsted Spec 1996	975	985
Pver. Canadian Spec 1988	1005	1015	Bearsted Spec 1997	975	985
SPEX Spec 1983	1005	1015	Bearsted Spec 1998	975	985
Shell Spec 1988	1005	1015	Bearsted Spec 1999	975	985
Stobart Spec 1988	1005	1015	Bearsted Spec 2000	975	985
Swed. Handels Spec 1988	1015	1025	Bearsted Spec 2001	975	985
Volvo Spec 1985	1025	1035	Bearsted Spec 2002	975	985
Owens Illinois Spec 1987	965	975	Bearsted Spec 2003	975	985
J. C. Penney Spec 1987	965	975	Bearsted Spec 2004	975	985
Reedman Spec 1987	975	985	Bearsted Spec 2005	975	985
Review Spec 1987	975	985	Bearsted Spec 2006	975	985
Reynolds Metals Spec 1988	975	985	Bearsted Spec 2007	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2008	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2009	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2010	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2011	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2012	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2013	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2014	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2015	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2016	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2017	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2018	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2019	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2020	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2021	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2022	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2023	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2024	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2025	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2026	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2027	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2028	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2029	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2030	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2031	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2032	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2033	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2034	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2035	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2036	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2037	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2038	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2039	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2040	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2041	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2042	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2043	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2044	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2045	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2046	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2047	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2048	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2049	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2050	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2051	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2052	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2053	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2054	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2055	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec 2056	975	985
Seaboard Corp. Spec 1988	975	985	Bearsted Spec		

WALL STREET + OVERSEAS MARKETS

Up further 4 on inflation prospects

BY OUR WALL STREET CORRESPONDENT

THE UPWARD TREND continued to fall 4 per cent. in the month on Wall Street to-day, reflecting ended August 15. optimism about U.S. inflation Dow Chemicals rose \$2 to \$45. prospects. But late softness trim as did travellers to \$36.

After rising a further 7.14 to Digital Equipment \$13 to \$27.73. Dow Jones Industrial Average partially reacted to Wrigley \$12 to \$30. Coca-Cola \$7.74, for a net gain of 4.82. NYSE All Commodity Index added another 4.1 cent. to \$33.92. Advanced led declines by 0.84-10. 400. Trading volume sharply expanded by 4.31m. shares to 13.45m.

Investors generally appeared to draw encouragement from the withdrawal of price increases in \$31.

But Cooper Industries slipped 31 to \$38.

THE AMERICAN SB Market Value Index rose 0.31 to 101.98, while advances led declines by 331 to 246.

McCallum Oil, a volume leader, edged up \$1 to \$33, but Syntex eased \$1 to \$26.

THE STEEL INDUSTRY earlier in the month was expected to lessen the dip.

The late weakness coincided with a Government report of a 0.5 per cent. decline in new U.S. Factory Orders in July. This was seen as fresh evidence that the nation's economic recovery has slowed, while new orders for Durable goods showed a downward 2.21m. Gold Metals 0.13 to \$91.45. revised 2.1 per cent. decline. Also in the news, Farm prices

fell 4 per cent. in the month to Western Oils eased 0.06 to \$26.62.

Falconbridge Nickel was up \$1 to \$44 and Labatts "A" added \$1 to \$25.

Peerless Rug lost 73 cents to \$1 to \$11, and Bell Canada added \$1 to \$40.

PARIS—The majority of French shares slid back in what brokers described as essentially a technical reaction. Trading volume was relatively light.

There was some irregularity in Motors, however.

Bankarie were down Frs1.10 to 24.10.

The Foreign section, in contrast, was better traded with Americans and Germans led up to 340 and Siemens DM2.70 to 271.50.

Motors also showed reasonably strong gains. Daimler advanced DM2 to DM2.30 while VW were up DM1 to DM1.

Gold Mines also advanced. Coppers were easier.

AMSTERDAM—Broadhurst gained in a fair volume. All Internationals rose.

In the Bank sector, Algemene Nederland were listed Frs1.73 to Frs1.80.

Insurance and Transportations in many cases showed strong gains. KLM were up Frs2.20 to Frs1.17 and Nationale-Nederlanden Frs1.40 to Frs1.56.

BRUSSELS—Mixed after another slow trading session. Steels were lower. Hainaut

most U.S. stocks were slightly

below Monday's Wall Street levels in quiet trading.

COPENHAGEN—Banks were little changed. Communications slightly higher. Commodities and Industrials rose. Shipments were firm, while Insurances were lower.

OSLO—Banks and Insurances were quiet, while Shipments and Industrials were mixed.

VIEENNA—Slightly higher in livelier trading, although the Industrial sector was mostly quiet.

MILAN—Leading Industrials were slightly marginally lower in early dealings.

Bonds eased slightly in thin dealings.

JOHNSBURG—Gold shares were firm.

Metals were also firmer. In Coppers, Messina gained 13 cents to Frs4.24 while in Platinums, Poggiostrada were up 10 cents at Frs2.10.

The latest Federal Railroad Bond issue was fully placed and closed 0.25 per cent. premium.

Demand for older Domestic Public Sector Bonds continued strong and the Bundesbank sold DM150m worth of stock.

SWITZERLAND—Fractionally higher. Industrials, however, were mixed and Insurances were steady. Other sectors firms. Aet rose Frs2.25 to 770 and Motor Columbus Frs1.20 to 930.

Most U.S. stocks were slightly

below Monday's Wall Street levels in quiet trading.

The French franc continued the previous day's improvement in early trading yesterday, but eased back later and lost further ground after publication of the latest wholesale price index showing a 2.7 per cent. rise in July. It closed at Frs4.8510 against Frs4.8075 in Paris on Monday and Frs4.9455 in London on Friday. The best level touched by the franc yesterday was Frs4.8025, but it did fall to Frs4.8940 in the afternoon and may have received some support from the French authorities.

The dollar's trade-weighted depreciation, as calculated by Morgan Guaranty of New York, narrowed slightly to 2.9 per cent. from 3.1 per cent. on Monday and Frs4.8075 in Paris on Friday.

Gold fell \$1 from Friday, to close at \$1031-1041. Nervousness

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Values for currencies

FARMING AND RAW MATERIALS

Russia buys more U.S. wheat

WASHINGTON, Aug. 31

SOVIET OFFICIALS have ordered another 275,000 tonnes of American 1976-crop wheat valued at about \$34.5m. The Agriculture Department announced, reports UPI.

A spokesman said the 10m. tonne purchase, which will be shipped after October 1, brings total Russian grain orders for the 1976-77 season (the first year in the five-year Soviet-American grain trade agreement) to 4.624m. tonnes.

The Soviet orders for the 1976-77 season now include 1.971m. tonnes (72m. bushels) of wheat and 2.653m. tonnes (104m. bushels) of maize.

The latest purchase pushed Soviet orders to about three-quarters of their minimum 6m. tonnes annual grain buying commitment under the five-year deal.

Russia can, under the deal, buy freely up to 8m. tonnes and can exceed the 8m. tonnes level if they first consult with American Government officials.

Agriculture Department officials have said they expect Soviet purchases in the coming 1976-77 season to total about 8m. tonnes, less than half the 16.5m. they ordered last season.

In addition to the 4.6m. tonnes of wheat and maize sold for 1976-77 delivery, officials noted, traders have also sold 1.5m. tonnes of American soybeans to the Soviet Union.

The EEC Commission expects the Common Market's total cereal crop this year to be between 90m. and 92m. tonnes.

Mr. Pierre Lardinol, EEC Farm Commissioner said: "The past two months have broadly confirmed estimates made early in July of a crop of around 92m. tonnes, or about 5 per cent. below last year," he added.

Nickel and aluminium price rises

By Our Commodity Staff

HIGHER NICKEL prices in the U.K. as a result of the declining value of sterling will be introduced by Entores Executive September 1, it was confirmed yesterday.

Nickel rodondles will go up to £2,735.50 a tonne, against £2,748 previously, and there will be similar increases for ferro-nickel grades.

An aluminium price rise in U.K. was also announced by Alcan yesterday. The price for primary aluminium is to go up by £1 to £567.00 a tonne on September 1 and by further £1.40 to £578.00 on September 16, when premiums for extrusion ingot will be raised by £3 a tonne.

The main aim of Mr. Pierre Lardinol, the Farm Commissioner, is to embark upon a Community approach to the problem and to bring aids at least within a Community agreement of what is permissible.

He is also anxious to prevent the effects of the drought being felt in terms of food shortages and higher prices. He will report to Ministers the assurances he received in the U.S. about the availability of food exports to compensate for bad European

General downturn in metal markets

By JOHN EDWARDS, COMMODITIES EDITOR

METAL PRICES moved generally lower on the London markets yesterday, reflecting significant recovery in demand for metals generally.

Confirmation that the American Smelting and Refining

economic recovery in industrialised countries and the further downturn in gold. Although a recovery in the after-hours copper wirebars closed at \$115.5 down at \$243.5 a tonne.

Cash LME was \$5 down at \$244.75 a tonne, after trading at \$244.5 to \$270.25. On the London bullion market the spot quotation for silver was cut by 8.5p to 231.5p an ounce.

Another rise in copper warehouse holdings, although only a modest increase of 1,050 tonnes to a total of 559,800 tonnes initially depressed prices since market forecasts last week were for little or no change in the stocks. However, buying interest and covering of previous sales emerged at the lower level, and counter stop-loss selling and losses steadily added by the New York market also turned upwards.

Nevertheless the basic underpinning of the market at present is reflecting uncertainty as to whether the present revival in the U.S. economy is strong enough to be sustained and spread to the rest of the world.

However, an increase of 1,900

tonnes, as forecast. Prices were steady in London over the weekend, but London lost ground initially following the trend in copper and reflecting some heavy cash offerings. In the afternoon the selling pressure eased and values recovered some of the earlier losses. LME silver holdings rose by 610,000 to 29,560,000 ounces.

EEC drought crisis proposals

By DAVID CURRY

FARM MINISTERS of the EEC are meeting here on September 9 to 10 in an emergency session to take stock of the emergency posed by the drought, and to consider how to offset the drought's effects on agriculture.

It is understood that Mr. Lardinol rules out "green

harvests. He may also ask Ministers to extend the suspension of import duties on fresh vegetables presently in force to consider ways of minimising the effect of the drought on consumer prices when it reassembles in a week's time.

The report predicted that the world lead price would rise by 9 to 10 per cent. in 1976, and 8 to 9 per cent. next year as the economy recovers. Between 1976 and 1980 the report forecasts prices will rise by between 7 and 8 per cent. to reflect higher production costs.

The stocks fell by 116 to 8,180 tonnes, as forecast. Prices were steady in London over the weekend, but London lost ground initially following the trend in copper and reflecting some heavy cash offerings. In the afternoon the selling pressure eased and values recovered some of the earlier losses. LME silver holdings rose by 610,000 to 29,560,000 ounces.

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STOCK EXCHANGE REPORT

Equities unsettled by adverse economic forecasts
Share index down 1.2 at 350.8—Gilt-edged steady

Account Dealing Dates
Option
*First Declara- Last Account
Deals from Dealings Day
Aug. 9 Aug. 19 Aug. 20 Sep. 1
Aug. 23 Sep. 2 Sep. 3 Sep. 14
Sep. 6 Sep. 16 Sep. 17 Sep. 20

* New deal "deals may take place
from 9.30 a.m. two business days earlier.

With sentiment affected by several adverse economic forecasts published over the weekend, equity markets lost further ground as the second leg of the Account got underway yesterday. Nevertheless, most of the technical rally after a fairly sharp initial setback and early losses of around 3 or 4 pence were parried to only a penny or so by the close. Down 3.7 at the lowest of the day at 10 a.m., the FT 30-share index finished only 1.2 lower on balance at 350.8, still a fresh low for the year. Trading remained at a standstill level, with markings of 4,114 continuing with the recent daily average of 4,300.

British Funds put on a relatively good performance, closing a fraction better where changed. The trend here was helped by the better performance of sterling. The Government Securities index was barely altered at 61.72.

Gilt edge up

Apart from the odd feature, secondary issues put on a drab performance in the 7-8 per cent interest fall in the FT 30. Major interest rates fell 1.4 per cent. Industrials and a small index of 0.1 per cent, to a new "low" for the year of 144.03 in the FT-Actuaries All-Share index. Against the trend, Oil shares found support, the FT-Actuaries index for the sector rising 1.7 to 334.44.

Despite a modest fall of 30.25

to 810.125 per ounce in the bullion price, Gold shares met a little U.S. support and closed with small gains which left the Gold Mines index 1.5 higher at 87.2.

The manner in which the market in British Funds resisted a spate of adverse predictions on the economy and the future rate of inflation was deemed very satisfactory. fears about higher

inflation rates continued to subside and the thin and typical pattern of trading, several points edged firmer. Treasury 10 per cent, 1979, gained more than most to close 1% higher at 98.4.

Business in the medium and longs was particularly slow but here again the undertone continued to hint at some stabilisation in the year ahead.

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Overseas Banks firm

Sporadic late offerings of investment currency in a market devoid of any real interest took the premium down to 100.0 per cent for a fall on the day of 11 pence.

Yesterday's SE conversion factor was unchanged at 0.9001.

Hambo Life Assurance reacted 3 to 180p in Recent Equities.

Little interest was shown in the big four Banks, which drifted gently lower in sympathy with the general trend. Barclays ended 5 off at 240p and National Westminster 3 easier at 215p, after 214p. Overseas issues fared better and moved against the trend.

Helped by Far-Eastern advice, the four Banks did well in 1975, up 12% while Hambo

rose 10%.

From last week's good

results, Commercial Bank of Australia put on 10 more to 380p. Commercial Union, for example, ended

forward a penny to 230p on Press comment.

With the exception of Sun

Hongkong and Shanghai, which ended 3 lower at 180p, 12% while Hambo

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FT SHARE INFORMATION SERVICE

CANADIANS

BUILDING INDUSTRY—Continued

SERVICE

HOTELS—Continued

FT SHARE INFORMATION SERVICE

DAIWA SECURITIES

MINES—Continued

FAR WEST RANK

1976

Stock

Price

+ or -

Div

Cv/Gr.

P/E

1975

High

Low

Stock

Price

+ or -

Div

Cv/Gr.

P/E

1975

High

Low

Stock

Price

+ or -

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Cv/Gr.

Government will ask for longer stand-by credit

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE GOVERNMENT will formally apply within the next few days to extend the \$5.3bn. central bank stand-by credit for a further three months.

But a decision on what will happen after the facilities run out in early December may not be taken until after the middle of next month.

There were reports yesterday in a leading Tokyo newspaper that the Japanese Government might be willing to extend its part of the credit beyond the December deadline. The suggestion is regarded in London as purely hypothetical at present. In Washington, it appears that leading U.S. officials would prefer not to repeat the current stand-by agreement in December, though they did not close the door completely on an extension.

Both these options might be considered more attractive than an IMF loan, which would now involve conditions affecting economic management. Certain City commentators argue that any major requirements on public sector borrowing have already been fulfilled, though they believe there could still be some difficulties on monetary policy, in particular over the control of Domestic Credit Expansion.

The credits, which were arranged following the continuing sterling crisis of the late spring and early summer, consist of \$2bn. from the U.S. authorities and of \$3.3bn. from central banks in other Group of Ten countries and Switzerland, and from the Bank for International Settlements. The initial period was for three months, though the extension for a further three months is regarded as simply a technicality.

No official indication has been given of the drawings, though figures published in the U.S. a fortnight ago suggested that Britain had borrowed a total of just over \$1bn. in June, and it is officially known in London that no drawings were made in July. A clearer guide may be provided by U.S. Federal Reserve figures due to be published to-day and by the U.K. official reserves due to-morrow.

Among the possibilities is the raising of further large loans

by the public sector under the exchange cover scheme. Borrowings in this way have averaged more than \$300m. a month since the early spring. Another obvious alternative could be the arrangement by the Government itself of a large loan in the Eurodollar market.

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But the view that Britain will have no choice but to apply for a further IMF drawing in December appears to be increasingly widely held in London, both in the City among bankers and brokers, and also in some parts of Whitehall. It is suggested that whatever chance there was of avoiding a further drawing has been undermined by the recent deterioration in the balance of payments and by the use of around \$1bn. in the first two months of the credits.

The official position remains that no strategic decision is likely to be taken until nearer the date. The authorities clearly want as long as possible to relate the outstanding stand-by drawings to the extent to which the reserves can be augmented from other sources.

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North Sea oil deal nets Burmah £103m.

BY RAY DAFTER, ENERGY CORRESPONDENT

BURMAH OIL yesterday received £35m. from the Government in final settlement of a deal which it will be paid on April 29 subject to certain conditions, and will cover BNOC's acquisition of assets in Burmah's Amethyst field and other small finds.

The payment, which coincided with conclusion of the purchase agreement, means that the Government through BNOC, has now paid Burmah £86m. for the offshore interests. An advance payment of £25m. was made on July 14 and an interim payment of £26m. on August 3.

The total is some £3m. more than the £27m. price arranged against BNOC's commercial judgement—in July. The Department of Energy pointed out that the balance covered cash payments, mainly development costs, incurred since the original agreement.

£7m. to come

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